

**LAWS**  
OF THE  
**TERRITORY OF HAWAII**  
PASSED BY THE  
**THIRTIETH LEGISLATURE**

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**REGULAR SESSION**  
**1959**

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Convened on Wednesday, February 18, and  
Adjourned Sine Die on Saturday, May 2

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Honolulu, Hawaii

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## **AUTHORITY**

### **SECTION 4, ACT 191, SESSION LAWS OF HAWAII 1959, PROVIDES AS FOLLOWS:**

**"SECTION 4. Publishing of Session laws.** As soon as possible after the close of each session of the legislature, the revisor shall prepare for publication all laws duly enacted at such session, arranged, first the bills and then joint resolutions, in the order of their becoming law, together with a suitable index and tables showing what general statutes have been affected by such session laws."

### **SECTION 1-3, REVISED LAWS OF HAWAII 1955, PROVIDES AS FOLLOWS:**

**"Sec. 1-3. Certain laws not obligatory until published.** No written law, unless otherwise specifically provided by legislative enactment, except general or special appropriation acts, loan fund acts, pension acts and franchise acts, shall be obligatory without first being printed and made public. General or special appropriation acts, loan fund acts, pension acts and franchise acts whether affecting territorial funds or the funds of county or other municipal subdivisions or commissions, shall become operative according to their respective terms merely by being passed and approved in the manner provided by sections 44 to 54, inclusive, of the Organic Act without the necessity of any other promulgation than the ultimate inclusion thereof in the bound volume of respective session laws as provided in section 69 of the Organic Act."

## CERTIFICATE

I, Hidehiko Uyenoyama, Revisor of Statutes of the State of Hawaii, certify that the Acts and Joint Resolutions of the Thirtieth Legislature of the Territory of Hawaii set forth herein have been compared with the enrolled copies thereof deposited in the office of the Secretary of Hawaii and that they appear to be correctly printed.

The misspellings, punctuation mistakes and other errors appearing in this volume have been so reproduced so as to conform to the original Acts and Joint Resolutions of the Thirtieth Legislature.

Dated at Honolulu, Hawaii, November 18, 1959.

A handwritten signature in black ink, reading "Hidehiko Uyenoyama". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Revisor of Statutes

CHIEF EXECUTIVE AND OFFICERS AND MEMBERS OF THE  
THIRTIETH LEGISLATURE OF THE  
TERRITORY OF HAWAII

REGULAR SESSION OF 1959

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Vice-President ..... Matsuki Arashiro  
Clerk ..... James H. Kamo

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*George Fukuoka (D)		Wilfred C. Tsukiyama (R)
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Nadao Yoshinaga (D)		Francis M. F. Ching (R)
		*Noboru Miyake (R)

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D—Democrats	16
R—Republicans	9



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 Vice-Speaker.....Hiram K. Kamaka  
 Clerk.....Herman T. F. Lum

District	Name	District	Name
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			Manuel S. Henriques (D)
			Clinton I. Shiraishi (R)
			Yoshiichi Yoshida (R)

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D—Democrat .....	33
R—Republican .....	18

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\*Elected at special election held April 25, 1959, to fill vacancy caused by death of the Honorable Representative Samuel W. King, who was elected at general election held November 4, 1958.

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**1959**  
**Laws Of The Territory Of Hawaii**  
**Passed By The**  
**Thirtieth Legislature**  
**Regular Session**

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**ACT 1**

An Act Appropriating Money for the Expenses of the Thirtieth Legislature of the Territory of Hawaii, for the Payment of Allowances for Personal Expenses of the Members of the Legislature While Attending any Session of the Legislature, for the Expenses of any Holdover Committee or Committees of the Legislature for the Period Herein Specified, Amending Section 2-20 of the Revised Laws of Hawaii 1955, as Amended, and Removing any Limitations Imposed by Section 5-16 of the Revised Laws of Hawaii 1955, as Amended, or any Other General Statute.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. There is hereby appropriated from the general funds of the Territory the sum of \$450,000 or so much thereof as may be necessary, for defraying the expenses of the Senate of the Thirtieth Legislature of the Territory of Hawaii, up to and including November 7, 1960, or until the day before the date of the general election of officers of the State of Hawaii, if such an election is held before November 7, 1960.

SECTION 2. There is hereby appropriated from the general funds of the Territory the sum of \$700,000 or so much thereof as may be necessary, for defraying the expenses of the House of Representatives of the Thirtieth Legislature of the Territory of Hawaii, up to and including November 7, 1960, or until the day before the date of the general election of officers of the State of Hawaii, if such an election is held before November 7, 1960.

SECTION 3. Any unencumbered balance of the appropriations provided for in sections 1 and 2 remaining at the close of the regular session 1959 is hereby appropriated for defraying the expenses of any holdover or interim committee or committees established by the Thirtieth Legislature.

SECTION 4. Section 2-20 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the first sentence thereof to read as follows:

## ACT 2

"Members of the Legislature of the Territory other than members whose legal residences are on the Island of Oahu, while attending any session of the Legislature, shall be allowed \$45 per day, which amount is to cover all personal expenses, such as board, lodging, and incidental expenses, but not travel expenses, and the members of the Legislature whose legal residences are on the Island of Oahu, while attending any session of the Legislature, shall be allowed \$32.50 per day, which amount is to cover incidental expenses."

SECTION 5. The allowance payable under section 4 of this Act shall be calculated retroactively and shall be payable from February 18, 1959.

SECTION 6. The comptroller of the Territory shall, prior to the convening of the next Legislature, audit the accounts of the Senate and the House of Representatives of the sessions of the Thirtieth Legislature of the Territory. Immediately upon the completion of the audit, a full report thereon shall be presented to the Senate and to the House of Representatives of the next Legislature convening in the Territory or State of Hawaii.

SECTION 7. The expenses of any member of the Legislature, while traveling abroad on official business of the Legislature, shall not be limited by the provisions of Section 5-16 of the Revised Laws of Hawaii 1955, as amended, or any other general statute. The expenses of such member shall be such as may be allowed by the Senate or by the House of Representatives, respectively.

SECTION 8. Each section of this Act is hereby declared to severable from the remainder of this Act.

SECTION 9. This Act shall take effect upon its approval.

(Approved March 5, 1959.) **S.B. 2.**

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## ACT 2

An Act to Amend Chapter 359, Revised Laws of Hawaii 1955, Civil Defense and Emergency Act, by Amending Section 359-32 Relating to the Expiration Date Thereof.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 359 of the Revised Laws of Hawaii 1955 is hereby amended by amending section 359-32 thereof by deleting the date "June 30, 1959" which appears in line 5 thereof and substituting therefore the date "June 30, 1961."

SECTION 2. This Act shall take effect upon its approval.

(Approved April 16, 1959.) **S.B. 85.**

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## ACT 3

An Act Prohibiting the Future Licensing of District Court Practitioners, Amending Section 217-11 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 217-11 of the Revised Laws of Hawaii 1955 is hereby deleted and the following substituted in its place:

**"Sec. 217-11. District court practitioners.** Any person licensed as a district court practitioner of the Territory before the approval of this Act may continue to practice during good behavior, and the license shall continue in force and effect, subject to cancellation and revocation as by law provided. From and after the approval of this Act, no new or additional practitioners shall be licensed to practice in any district court of the Territory."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved April 22, 1959.) **S.B. 296.**

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#### ACT 4

An Act Relating to Notaries Public and Amending Section 168-1 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 168-1 of the Revised Laws of Hawaii 1955 is hereby amended by striking out the first paragraph and substituting in lieu thereof the paragraph to read as follows:

**"Sec. 168-1. Appointment; tenure.** The attorney general may, in his discretion, appoint and commission such number of notaries public for each of the several judicial circuits of the Territory as he deems necessary for the public good and convenience."

SECTION 2. This Act shall take effect upon its approval.

(Approved April 22, 1959.) **S.B. 513.**

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#### ACT 5

An Act to Amend Part IV, Eggs, of Chapter 22 of the Revised Laws of Hawaii 1955, Relating to Grades and Standards.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 22 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By amending the title of Part IV thereof, to read as follows:

**"PART IV. CHICKEN EGGS"**

(b) By amending the last paragraph of section 22-70 of the Revised Laws of Hawaii 1955, to read as follows:

**"'Eggs' mean: Chicken eggs (a) in the shell; (b) liquid, frozen or dried whole egg meats, whites of eggs, or egg yolks."**

SECTION 2. This Act shall take effect upon its approval.

(Approved April 23, 1959.) **H.B. 888.**

ACT 6

ACT 6

An Act Consolidating North Kona and South Kona Judicial Districts, and Amending Sections 10-1, 216-1, 216-9 and 220-4 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 10-1 Revised Laws of Hawaii 1955 is hereby amended by deleting from the first sentence thereof the word and comma "judicial," and by adding a new paragraph at the end thereof to read as follows:

"For judicial purposes, the Territory shall be divided into the same districts except the districts of North Kona and South Kona, referred to in subdivisions (a)-(7) and (a)-(8), respectively, shall be consolidated and styled the Kona district."

SECTION 2. Section 216-1 Revised Laws of Hawaii 1955 is hereby amended by deleting from the first sentence thereof the words "one district magistrate for the districts of North Kona and South Kona," and by substituting therefor the words "one district magistrate for the district of Kona."

SECTION 3. Section 216-9 Revised Laws of Hawaii 1955 as amended, is hereby further amended by deleting from lines eight and nine thereof the words "the districts of North Kona and South Kona," and by substituting therefor the words "the district of Kona."

SECTION 4. Section 220-4 Revised Laws of Hawaii 1955 is hereby amended by deleting from lines sixteen and seventeen thereof the words "District magistrate, North and South Kona," and by substituting therefor the words "District magistrate, Kona."

SECTION 5. This Act shall take effect upon its approval.

(Approved April 27, 1959.) **S.B. 297.**

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ACT 7

An Act Amending Section 7-7 of the Revised Laws of Hawaii 1955, Relating to the Disposal of Government Records.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 7-7 of the Revised Laws of Hawaii 1955 is hereby amended in the following manner:

(a) By substituting the words "the disposal committee described in section 7-8" for the words "board of commissioners of public archives" in the second sentence.

(b) By amending the third sentence to read as follows:

"The records disposal committee may require, as a prerequisite to the granting of such approval, that a reproduction or print of such photograph, microphotograph or reproduction on film, be delivered into the custody of the public archives for safekeeping."

(c) By substituting the word "committee" for the word "board" in the fourth sentence.

SECTION 2. This Act shall take effect upon its approval.

(Approved April 27, 1959.) **S.B. 521.**

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**ACT 8**

An Act Relating to Industrial Safety, and Amending Section 96-29, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 96-29, Chapter 96, Revised Laws of Hawaii 1955 is hereby amended to read:

"**Section 96-29. Exceptions.** The provisions of this part shall not apply to the armed forces of the United States or employees of the United States who are authorized by the United States to handle explosives."

SECTION 2. This Act shall take effect upon its approval.

(Approved April 27, 1959.) **H.B. 621.**

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**ACT 9**

An Act to Authorize the Commissioner of Public Lands to Cancel Certain Sale Agreements, to Refund Payments to the Purchaser and to Appropriate Moneys Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. When public land is sold with a building requirement by the commissioner of public lands and a special sale agreement is duly executed, and thereafter, prior to the erection of the required building, the land becomes or is discovered to be unfit for the erection of such building, or by change of conditions it becomes impossible or impracticable to erect such building, the commissioner of public lands, with the approval of the governor, is authorized to cancel the sale agreement, repossess the land involved, and pay to the purchaser from the special land fund of the county in which such land is situated, as established under section 99-21 of the Revised Laws of Hawaii 1955, and notwithstanding the order of priority set forth therein, the aggregate amount of principal and interest theretofore paid by the purchaser and previously covered into the fund, which amount is hereby appropriated for such purpose.

SECTION 2. This Act shall take effect upon its approval.

(Approved April 27, 1959.) **S.B. 599.**

**ACT 10**

An Act Providing for the Establishment of Deer and Other Game Mammals on the Island of Maui.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The board of agriculture and forestry shall establish deer and such other game mammals, as are found suitable, on the island of Maui.

SECTION 2. From and after the time when such deer and other game mammals have been established on the island of Maui, the board of agriculture and forestry shall establish rules and regulations to permit a resident or non-resident of the Territory to hunt deer and other game mammals on the island of Maui.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 28, 1959.) **H.B. 1051.**

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**ACT 11**

An Act to Amend Chapter 93 of the Revised Laws of Hawaii 1955, as Amended, Relating to Employment Security.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 93 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) By amending section 93-21 as follows:

(1) By amending Column A of the benefit table by deleting the words and figure "850.01 and over" and substituting in lieu thereof the figures "850.01 - 875.00".

(2) By amending the figures in Column D of the benefit table to read as follows:

\$130.00	416.00	702.00
156.00	442.00	728.00
182.00	468.00	754.00
208.00	494.00	780.00
234.00	520.00	806.00
260.00	546.00	832.00
286.00	572.00	858.00
312.00	598.00	884.00
338.00	624.00	910.00
364.00	650.00	
390.00	676.00	

(3) By adding ten additional steps to the benefit table as amended by subsections "1" and "2" above, resulting in the following addition to the benefit table for Columns A, B, C and D, respectively:

Column A	Column B	Column C	Column D
875.01 - 900.00	36.00	1080.00	936.00
900.01 - 925.00	37.00	1110.00	962.00
925.01 - 950.00	38.00	1140.00	988.00
950.01 - 975.00	39.00	1170.00	1014.00
975.01 - 1000.00	40.00	1200.00	1040.00
1000.01 - 1025.00	41.00	1230.00	1066.00
1025.01 - 1050.00	42.00	1260.00	1092.00
1050.01 - 1075.00	43.00	1290.00	1118.00
1075.01 - 1100.00	44.00	1320.00	1144.00
1100.01 - and over	45.00	1350.00	1170.00

(b) By amending paragraph (a) of section 93-7 to read:

“(a) Agricultural labor as defined in section 93-9, unless such agricultural labor is performed by an individual who is employed by an employing unit which, for some portion in each of twenty different calendar weeks in the current or preceding calendar year, had in its employ twenty or more persons performing such agricultural labor, whether or not such weeks were consecutive and whether or not the same individuals performed such labor in each such week;”.

(c) By amending paragraph (d) of section 93-24 to read:

“(d) ‘Seasonal employer’ means an employer engaged in the cultivating, harvesting, processing, canning, and warehousing of pineapple or any other employer engaged in a seasonal pursuit. The qualification of an industry or an occupation as a seasonal pursuit shall be determined on the basis of variations, as provided in paragraph (a) of this section, in employment in the whole of such industry or such occupation, in this Territory, considering the experience of all of the employers in such industry or such occupation, in this Territory, taken collectively; and if any industry or occupation is a seasonal pursuit within the meaning of paragraph (a) of this section then an employer therein is a seasonal employer.”

(d) By amending paragraph (e) of section 93-24 to read:

“(e) ‘Seasonal worker’ means an individual who during his base period has been paid wages in employment in a seasonal pursuit by a seasonal employer or by an employer engaged in the cultivating, harvesting, processing, canning, and warehousing of pineapple; provided, that no individual shall be a seasonal worker unless the wages paid to him during his base period for seasonal employment were in excess of twenty-five per cent of the total wages paid to him during his base period for all insured work, including seasonal employment.”

(e) By amending paragraph (f) of section 93-24 to read:

“(f) ‘Seasonal period’ or ‘seasonal periods’ for any year for a seasonal employer in a seasonal pursuit, other than an employer engaged in the cultivating, harvesting, processing, canning and warehousing of pineapple, means the period or periods of seasonal operations in such seasonal pursuit by such seasonal employer during such year. Such seasonal period or seasonal periods shall be determined by the board in accordance with the provisions of section 93-27 (b). In the case of employers engaged

in the cultivating, harvesting, processing, canning and warehousing of pineapple, the board shall determine the seasonal period or seasonal periods for any year for the processing, canning, and warehousing of pineapple in accordance with the provisions of sections 93-24(a) and 93-27. For the cultivating and harvesting of pineapple, the board shall determine the seasonal period or seasonal periods for such employers to be the period or periods, of less than an aggregate of twenty-six weeks in a year, when the volume of employment in said operations is substantially higher than in the twelve consecutive weeks in the year when the volume of employment in said operations is the lowest, without regard to the provisions of section 93-24(a); provided, that the board shall follow any applicable provisions of section 93-27 in making its determinations."

(f) By amending paragraph (g) of section 93-24 to read:

"(g) 'Seasonal employment' means employment in a seasonal pursuit by a seasonal employer during a seasonal period or seasonal periods for such employer in such seasonal pursuit or employment by an employer engaged in the cultivating, harvesting, processing, canning, and warehousing of pineapple during its seasonal period or seasonal periods."

(g) By amending paragraph (h) of section 93-24 to read:

"(h) 'Non-seasonal employment' means employment in a seasonal pursuit by a seasonal employer other than during a seasonal period or seasonal periods for such employer in such seasonal pursuit or employment by an employer engaged in the cultivating, harvesting, processing, canning, and warehousing of pineapple other than during its seasonal period or seasonal periods and also employment by a seasonal employer, other than an employer engaged in the cultivating, harvesting, processing, canning and warehousing of pineapple, where such employment is not in a seasonal pursuit and also employment by an employer who is not a seasonal employer."

(h) By adding a new paragraph to section 93-26, between the fourth and fifth paragraphs of said section, to read:

"Notwithstanding any other provisions of this chapter, a worker, employed for work in connection with the cultivating and harvesting of pineapple or any other agricultural or horticultural commodity within the seasonal period or periods for such operations for his seasonal employer or seasonal employers, shall not be eligible to receive benefits based on such seasonal employment unless he was employed by his seasonal employer or seasonal employers in some portion of a day in each of a total of thirty or more different weeks in his base period. If he was not employed by such seasonal employer or employers in some portion of a day in each of a total of thirty or more different weeks in his base period, he shall not be eligible to receive benefits based on such seasonal employment unless he has, in addition to his insured wages based on seasonal employment, received insured wages in his base period from one or more other employers in at least the amount set forth in the line in Column B opposite the total number of weeks set forth in Column A during which total number of weeks or in some portion of a day in each week thereof, he was employed by such seasonal employer or employers.



Number of Weeks (Column A)	Covered Wages (Column B)
20 weeks .....	\$400.00
21 weeks .....	360.00
22 weeks .....	320.00
23 weeks .....	280.00
24 weeks .....	240.00
25 weeks .....	200.00
26 weeks .....	160.00
27 weeks .....	120.00
28 weeks .....	80.00
29 weeks .....	40.00"

SECTION 2. If any section, clause, or phrase of this Act is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act.

SECTION 3. This Act shall take effect upon approval.

(Approved April 30, 1959.) **S.B. 59.**

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## ACT 12

An Act Amending Section 88-22(f), Revised Laws of Hawaii 1955, Relating to Child Labor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 88-22(f) of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(f). The commission may make such rules and regulations allowing minors under fourteen years of age to be employed or permitted to work as dancers, singers, musicians, entertainers, motion picture, or theatrical performers or in harvesting of coffee, under such circumstances and conditions as the commission may prescribe, provided such work is performed when such minors are not legally required to attend school, and, provided further, that, with respect to work in harvesting of coffee, the commission has determined that sufficient adult labor to perform such work is unavailable. Nothing in this subsection will be construed to allow any employer to employ or permit such minors to work in harvesting of coffee from and after June 30, 1961."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 1, 1959.) **H.B. 890.**

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## ACT 13

An Act to Amend Subsection 3-21 (g) of the Revised Laws of Hawaii 1955, Relating to Reemployment Rights in Civil Service.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsection 3-21 (g) of the Revised Laws of Hawaii,

## ACT 14

1955, is hereby amended by amending the first paragraph of said subsection to read as follows:

“(g) Reemployment lists. Whenever any employee who has been performing his duties in a satisfactory manner as shown by the records of the department of civil service or the agency in which he has been employed, is laid off or demoted because of lack of work or lack of funds, has voluntarily accepted a position in a lower class, has resigned in good standing with the consent of the appointing authority, is retired for ordinary or accidental disability, or whenever his position has been reclassified to a lower class, he shall have the right to have his name placed on the appropriate reemployment list for a period of three years thereafter, provided that he files a written application for reemployment within three years after such termination, and further provided, however, that the period which an employee spends in a hospital, settlement or place within the Territory of Hawaii undergoing treatment for Hansen’s disease or tuberculosis, shall be excluded in computing the said three years period. A person on a reemployment list shall be deemed eligible for certification to positions in the class in which he last held a permanent status.”

SECTION 2. This Act shall take effect upon its approval and shall be retroactive to January 2, 1948.

(Approved May 1, 1959.) **H.B. 199.**

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## ACT 14

An Act Relating to Apprenticeship, and Amending Sections 89-2(a) and 89-3(c), Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 89-2(a), Revised Laws of Hawaii 1955 is hereby amended by substituting a semicolon for the period at the end of Section 89-2(a) and adding the following:

“provided that the Territorial Apprenticeship Council may reduce the hours of related instruction as required under this section if it is shown that such reduction is in the best interests of the apprenticeship.”

SECTION 2. Section 89-3(c), Revised Laws of Hawaii 1955 is hereby amended by substituting a semicolon for the comma after the word “instruction” in Section 89-3(c) and deleting the phrase “which instruction shall be not less than one hundred forty-four hours per year;”.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 1, 1959.) **H.B. 622.**

### ACT 15

An Act Relating to Service of Process in Actions Growing Out of any Accident or Collision Involving Motor Vehicles and Amending Chapter 230 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 230-33 Revised Laws of Hawaii 1955 is hereby amended by amending the first paragraph thereof to read as follows:

**"Sec. 230-33. Service in cases of operation of motor vehicles.** The use and operation by any person, whether a resident or a nonresident of the Territory, of any motor vehicle upon a public highway in this Territory shall be deemed equivalent to an appointment by such person of the treasurer of the Territory to be his true and lawful attorney upon whom may be served the summons in any action or proceeding against him growing out of any accident or collision in which such person and such motor vehicle so used and operated may be involved. Such use and operation of such motor vehicle shall be deemed a signification of his agreement that any such summons against him which is so served shall be of the same legal force and validity as if served upon him personally within this Territory, whether such person is a nonresident of this Territory or at the time a cause of action arises is a resident of this Territory but subsequently becomes a nonresident of this Territory. Service of such summons shall be made by leaving a certified copy thereof with the treasurer of the Territory, or his deputy, who shall keep a record of each such summons and the day and hour of service upon such person, provided that notice of such service and a certified copy of the summons are served upon the defendant personally by any person authorized to serve process in the place in which he may be found or sent by registered mail, postage prepaid, with return receipt requested, by the plaintiff or his attorney to the defendant. The plaintiff or his attorney shall file an affidavit showing that such notice and such copy of summons were served as aforesaid or sent by registered mail as aforesaid, and in the latter case the return receipt shall be filed with such affidavit."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 1, 1959.) **S.B. 341.**

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### ACT 16

An Act to Authorize the Establishment of an Emergency Seat of Government for the Territory and its Counties and to Authorize the Exercise of Governmental Powers and Functions Thereat During Periods of Emergency.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Whenever, due to an emergency resulting from the effects of enemy attack, or the anticipated effects of a threatened enemy attack, it becomes imprudent, inexpedient or impossible to conduct the affairs of territorial government at the normal location of the seat thereof in Honolulu, City and County of Honolulu, the governor shall, as often

as the exigencies of the situation require, by proclamation, declare an emergency temporary location, or locations, for the seat of government at such place, or places, within or without the Territory as he may deem advisable under the circumstances, and shall take such action and issue such orders as may be necessary for an orderly transition of the affairs of territorial government to such emergency temporary location, or locations. Such emergency temporary location, or locations, shall remain as the seat of government until the legislature shall by law establish a new location, or locations, or until the emergency is declared to be ended by the governor and the seat of government is returned to its normal location.

SECTION 2. During such time as the seat of government remains at such emergency temporary location, or locations, all official acts now or hereafter required by law to be performed at the seat of government by any officer, agency, department or authority of the Territory, including the convening and meeting of the legislature in any kind of session, shall be as valid and binding when performed at such emergency temporary location, or locations, as if performed at the normal location of the seat of government.

SECTION 3. Whenever, due to an emergency resulting from the effects of enemy attack, or the anticipated effects of a threatened enemy attack, it becomes imprudent, inexpedient or impossible to conduct the affairs of county government at the regular or usual place or places thereof, the governing body of each county may meet at any place within or without the territorial limits or such county on the call of the presiding officer or any two members of such governing body, and shall proceed to establish and designate by ordinance, resolution or other manner, alternate or substitute sites or places as the emergency temporary location, or locations, of government where all, or any part, of the public business may be transacted and conducted during the emergency situation. Such sites or places may be within or without the territorial limits of such county and may be within or without the Territory.

SECTION 4. During the period when the public business is being conducted at the emergency temporary location, or locations, the governing body and other officers of a county shall have and possess and shall exercise, at such location, or locations, all of the executive, legislative and judicial powers and functions conferred upon such body and officers by or under the laws of the Territory. Such powers and functions may be exercised in the light of the exigencies of the emergency situation without regard to or compliance with time consuming procedures and formalities prescribed by law and pertaining thereto, and all acts of such body and officers shall be as valid and binding as if performed within the territorial limits of their county.

SECTION 5. The provisions of this Act shall control and be supreme in the event it shall be employed notwithstanding any statutory, charter or ordinance provision to the contrary or in conflict herewith.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 1, 1959.) S.B. 554.

**ACT 17**

An Act Relating to Group Life Insurance.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

"SECTION 1. Section 181-582 of the Revised Laws of Hawaii 1955, as amended by Act 310 of the Session Laws of Hawaii 1957, is hereby further amended by substituting "\$2,000" for "\$1,000" as it appears in paragraph (a) thereof."

"SECTION 2. This Act shall take effect upon its approval."

(Approved May 1, 1959.) **H.B. 26.**

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**ACT 18**

An Act Relating to Actions in Eminent Domain to Have Preference.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 8 of the Revised Laws of Hawaii 1955 is hereby amended by adding to it a new section to read as follows:

"In all actions brought under the provisions of this chapter, to enforce the right of eminent domain, all courts wherein such actions are or may hereafter be pending, shall give such actions preference over all other civil actions therein, in the matter of setting the same for hearing or trial, and in hearing the same, to the end that all such actions shall be quickly heard and determined."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 1, 1959.) **S.B. 515.**

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**ACT 19**

An Act Relating to Service of Summons and to the Date of Valuation in Eminent Domain Proceedings.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 8-18, Revised Laws of Hawaii 1955, is hereby amended by adding a new sentence preceding the last sentence thereof, and to read as follows:

"Nothing herein contained shall preclude service of summons in the manner provided in section 230-32, if applicable."

SECTION 2. Section 8-22, Revised Laws of Hawaii 1955, is hereby amended by adding a comma after the word "and" in the fourth line thereof, and the following phrase: "except as provided in sections 149-95 and 149-96,".

SECTION 3. This Act shall take effect upon its approval.

(Approved May 1, 1959.) **S.B. 1046.**

ACT 20

An Act to Amend Chapter 98C of the Revised Laws of Hawaii 1955, as Amended, as Enacted by Act 161 of the Session Laws of Hawaii 1957, Relating to Strip Mining.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The definition of the word "mineral" as the same appears in section 98C-2 is amended to read as follows:

"'Mineral' or 'minerals' means any or all of the oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits whether solid, gaseous, or liquid, in, on, or under any land; but does not include sand, rock, gravel and other materials suitable for use and used in road construction."

SECTION 2. Section 98C-3 is amended as follows:

(1) Subsection (a) shall read:

"(a) The commissioner shall grant upon application therefor being made under section 98C-5 a permit to strip mine, and may modify, suspend, revoke or cancel such permit for cause as set forth in subsection (b) of section 98C-5. The commissioner shall also have full power and authority to carry out and administer the provisions of this chapter and may designate one or more agents to act in his stead."

(2) Subsection (f) is hereby repealed.

SECTION 3. Subsection (b) of section 98C-4 is amended to read as follows:

"(b) It shall be unlawful for any operator to cause or permit any poisonous or noxious matter to be discharged into any stream or shore water in such manner as to constitute a public nuisance."

SECTION 4. Section 98C-5 is amended as follows:

(1) The fifth sentence of subsection (a) shall read:

"Upon receipt of such application, fee and bond, the commissioner shall issue a permit to the applicant which, upon his filing the plan required by subsection (a) of section 98C-7, shall entitle him for a period of one year next following to engage in strip mining of the land identified in said application in the manner and subject to the provisions set forth in said plan."

(2) Subsection (b) shall read:

"(b) Each permit shall be renewed each year by the commissioner upon receipt by him of the required annual fee and the filing of the bond required by section 98C-6. Such permit, whether originally issued or renewed, shall remain in effect until terminated through elapse of time, or suspended, revoked or cancelled by the commissioner following a hearing as provided in subsection (b) of section 98C-8, for failure of the operator to comply with the terms thereof or the requirements of this chapter."

SECTION 5. The first sentence of section 98C-6 is amended to read as follows:

“Contemporaneously with and as a condition precedent to the issuance of the permit, the operator shall file with the commissioner, and thereafter shall keep in full force and effect until he shall be released therefrom as hereinafter provided, a bond payable to the Territory, conditioned that the operator shall faithfully and fully perform all duties and requirements to be performed and observed by the operator as provided in said permit and by this chapter.”

SECTION 6. Section 98C-7 is amended to read as follows:

**“Sec. 98C-7. Reclamation.** (a) Prior to the commencement of any strip mining the operator shall submit to the commissioner a plan, which must be approved in writing, or approved as amended, which plan shall include, inter alia, a contour basis for the mining operations, the depth to which and the direction in which such operations are proposed to be conducted, the proposed disposition of boulders and tailings, and provisions for the stripping, storage and, if required, the replacement of the topsoil. The operator shall have the right of appeal as provided by section 98C-9 for any decision, order or action of the commissioner in respect of such plan.”

(b) As soon as practicable following the completion or abandonment of strip mining of any pit or of such portion thereof as may be specified in said plan, the operator shall submit to the commissioner a proposal for the reclamation thereof. A pit shall be deemed abandoned if mining operations with respect thereto shall not have been resumed on a substantial scale following six months cessation of operations. Such proposal shall require the operator to:

(1) Strike off peaks and ridges and fill in deep depressions created or left by the mining operations and grade the surface of the pit to a contour which will minimize erosion and be suitable for planting as provided in this section.

(2) Dispose of all debris, rubble, and tailings in such manner as to enhance the contour of the pit or to provide erosion and drainage control in adjacent areas.

(3) Provide such drains, ditches and outlets as may be necessary to prevent the accumulation of water in the pit and to remove water from the pit in such a way as to minimize erosion of the pit and the surrounding land.

(4) Utilize the overburden removed from the surface of the pit in such manner as best to recondition or reclaim the mined area, or the area where the tailings have been disposed, if in an area other than the pit.

(5) Provide a reasonable means of access to the pit.

(6) Revegetate or rehabilitate the pit, which shall include, inter alia, provisions for:

(i) replacing the topsoil, if required;

(ii) liming, if mining produces deleterious changes in soil acidity from the original soil condition of the area, or if needed for the establishment of satisfactory fertility under subparagraph (iii) hereafter;

(iii) applying fertilizer to re-establish satisfactory fertility and crop production in soils of areas cultivated to agricultural crops prior to the inception of mining, and, in areas used for grazing or forest prior to the inception of mining, fertilizer to provide a grass or forage cover suitable for an annual carrying capacity of not less than one head of cattle for each three acres;

(iv) planting in all instances a cover crop of good pasture grass to stabilize the exposed surface and to minimize erosion, unless immediate crop production shall be effected, or unless relieved therefrom by the commissioner in writing. In pits intended for restoration to forest, rehabilitation shall include a quick cover crop followed by forest plantings, respecting which the Board of Agriculture and Forestry shall advise on types, availability and spacing of species to be planted;

(v) achieving, where possible, as a minimum goal of restoration, comparable fertility and use of land to that existing prior to strip mining.

If in the judgment of the commissioner the aforesaid proposal shall be reasonable and shall meet the requirements of this section, the commissioner shall approve such proposal; if not, he shall notify the operator of the reasons for his disapproval in writing. The operator shall thereupon submit an amended proposal. If the commissioner disapproves of the amended proposal, the operator may appeal the action to the circuit court in accordance with the provisions of section 98C-9; otherwise, he shall submit another amended proposal until approval is obtained. Upon approval being obtained, or the issuance of an order in the event of an appeal, the operator shall commence work under said reclamation proposal and shall prosecute the work required thereunder with reasonable diligence and effect such reclamation within a period of two years next following said approval or issuance of said order, unless such time shall be extended by the commissioner. The operator shall notify the commissioner upon completion of reclamation, whereupon an inspection shall be made of the pit by the commissioner and a determination made of the satisfactory performance by the operator of said proposal. In the event that the provisions of said proposal and of this chapter have been complied with, the commissioner shall take such action as is required under the provisions of sections 98C-6 and 98C-8. In the event that such performance shall not be satisfactory, the commissioner shall serve upon the operator written directions for additional performance, and unless an appeal is taken therefrom under section 98C-9, the operator shall forthwith comply with said directions.

(c) At the completion of each year, and at the time the operator shall make application to the commissioner for a renewal of his permit under section 98C-5, the operator shall submit in duplicate to the commissioner a map in a form approved by the commissioner, setting forth such description as will identify the land from which the operator removed any mineral by strip mining during the preceding permit year, with a legend upon such map showing the number of acres affected and the extent that the topography has been disturbed by such mining. The accuracy of such map may be checked by the commissioner, and if found to be erroneous, it shall be corrected by the operator prior to the issuance of a renewed permit."



SECTION 7. Section 98C-10 is amended to read as follows:

**"Sec. 98C-10. Penalty; injunction.** Any person violating the provisions of subsection (a) of section 98C-4 shall forfeit to the Territory not more than \$5,000 for every violation, to be recovered by action brought in the name of the Territory by the commissioner. Any person violating the provisions of said subsection or the provisions of this chapter or of any permit issued pursuant thereto may be enjoined by the circuit court from continuing such violation. The penalty and remedy provided by this section shall be in addition to any criminal or civil penalty provided by any other law."

SECTION 8. This Act shall take effect upon its approval.

(Approved May 1, 1959.) **H.B. 493.**

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## ACT 21

An Act Pertaining to Hunting on Public Leased Lands, Amending Chapter 99 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 99-26 of the Revised Laws of Hawaii 1955 is hereby amended by adding after the words "Sea" and "beaches" the words "and hunting preserves", so that the section now reads:

**"Sec. 99-26. Rights of way to the sea and hunting preserves.** Before offering any lease for sale, as provided by sections 99-50 to 99-60, of lands abutting upon the sea and hunting preserves, the commissioner shall lay out and establish over and across such lands a reasonable number of roads or trails, from established highways or belt roads to the beaches and hunting preserves, in order that the public may have access to the beach or beaches and hunting preserves."

SECTION 2. Chapter 99 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be appropriately designated and to read as follows:

**"Sec. 99- .** The commissioner of public lands shall, prior to the leasing of any public lands, meet with the board of commissioners of agriculture and forestry concerning the feasibility of hunting on such lands and if any of them is suitable for hunting, or may during the term of the lease, become suitable for hunting, shall retain such reservations and provide such easements or ways of entry into such lands as shall be compatible with the use for which such lands are to be leased."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 5, 1959.) **H.B. 148.**

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## ACT 22

An Act to Amend Part IV, Eggs, of Chapter 22 Revised Laws of Hawaii 1955 Relating to Grades and Standards by Adding a New Section Thereto Relating to Advertisement of Eggs.

## ACT 23

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 22 Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new section to be numbered section 22-74.1 and reading as follows:

**"Sec. 22-74.1. Advertisement of eggs and price.** It shall be unlawful to advertise in newspaper or by sign, handbill, placard or otherwise, the price at which eggs are offered for sale without plainly indicating in conjunction with price, the full and correct designation of grade, of size of the eggs according to the standards in this chapter, of geographic origin of eggs and of shell-treatment if applicable. Such designations shall be in bold face type or other conspicuous letters which shall be at least one-half the size of the letters or figures used to designate the price of eggs."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 6, 1959.) **H.B. 873.**

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## ACT 23

An Act Relating to Funeral Expenses of Veterans, and Amending Section 348-5 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 348-5 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the words "Board of Health" on the eleventh and twelfth lines thereof and substituting therefor the words "Council on Veterans' Affairs".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **H.B. 202.**

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## ACT 24

An Act to Amend Chapter 51 of the Revised Laws of Hawaii 1955, Relating to Food, Drugs and Cosmetics, to Prohibit the Use of Food Additives Which Have Not Been Adequately Tested to Establish Their Safety.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 51-6 of the Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new sub-section to read as follows:

"(m) The use in food of additives which have not been adequately tested to establish their safety as required by the Food Additives Amendment of 1958, Public Law 85-929, 85th Congress, Second Session."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **S.B. 569.**

## ACT 25

An Act Relating to the Occupations of Chiropodists and Physiotherapists and Amending Section 46-15, 46-15.1 (a) and (b), and 46-15.2 (a) and (b) of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 46-15 of the Revised Laws of Hawaii 1955 is hereby amended by substituting the words "physical therapists" and "podiatrists" for the words "physiotherapists" and "chiropodists", respectively.

SECTION 2. Sections 46-15.1 (a) and (b) and 46-15.2 (a) and (b) of the Revised Laws of Hawaii 1955, are hereby amended by substituting the words "podiatrist" and "physical therapist" for the words "chiropodist" and "physiotherapist", respectively.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **S.B. 570.**

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## ACT 26

An Act to Amend Section 149-86 of the Revised Laws of Hawaii 1955, as Amended, Relating to Powers and Duties of the Supervisors, by Amending Subsection (39) Relating to Public Celebrations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-86 of the Revised Laws of Hawaii 1955 is hereby further amended by amending subsection 39 thereof to read as follows:

"39. Community promotion, public celebrations, civic tribute, etc. To make appropriations not exceeding \$10,000 from any moneys in the treasury, for the purpose of community promotion and public celebrations, for the entertainment of distinguished persons and public officials as may from time to time visit the city and county, for the entertainment of other distinguished persons as well as public officials when deemed to be in the best interest of the community, and the rendering of civic tribute to individuals who, by virtue of their accomplishments and community service, merit civic commendation, recognition, or remembrance; provided that expenditure out of such appropriations shall be made by the mayor.

To make appropriations in excess of the amount of \$10,000 upon request of the mayor whenever a special need arises to accomplish the purposes specified hereinabove.

To make appropriations for the purpose of entertaining public officials attending organized conferences or conventions held in the city and county and which is deemed to be in the interest of the community; provided that the expenditure out of such appropriations shall be made by the mayor."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **S.B. 986.**

ACT 27

An Act to Amend Chapter 9A of the Revised Laws of Hawaii 1955, as Amended, Relating to Wages and Hours of Employees on Public Works.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 9A of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the first paragraph of Section 9A-2(c) to read as follows:

“(c) Such contract and specifications shall contain the provision that no laborer or mechanic employed on the job site of any public work of the Territory or any political subdivision thereof shall be permitted or required to work in excess of eight (8) hours in any one day or in excess of forty (40) hours in any one week or on Saturday, Sunday or legal holiday of the Territory unless he receives compensation for all hours worked in excess of such daily hours or in excess of such weekly hours or on Saturday, Sunday and legal holiday of the Territory at a rate not less than one and one-half times his basic hourly rate pay.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **H.B. 672.**

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ACT 28

An Act Relating to Personnel of Public Schools in the Territory.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 38-4 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the words “and tenure of office” from the second sentence thereof.

SECTION 2. Section 38-5 of the Revised Laws of Hawaii 1955 is hereby amended by deleting it in its entirety and substituting therefor the following:

“**Sec. 38-5. Probationary period of employment.** With the exception of intern teachers as provided for in section 38-6 all public school teachers, during the first two years of consecutive employment, shall be deemed to be in a probationary period of employment during such period. Any annual contract with any such teacher may or may not be renewed as the department of public instruction shall see fit. The department of public instruction may, during such probationary period, discharge or demote a teacher for any of the causes specified in section 38-5.2. Teachers who have been in continuous employment in the public schools for a period of two years prior to September 1, 1959, shall be deemed to have completed their probationary period.

**Sec. 38-5.1. Re-employed teachers; rights.** After the completion of such probationary period without discharge, such teachers as are thereupon re-employed shall continue in service in the public schools during good behavior and competent service and prior to the age at which such teachers are eligible for retirement, pursuant to section 6-41, and shall

not be discharged or demoted except for one or more of the causes specified in section 38-5.2 and after a notice and hearing as specified in section 38-5.3.

**Sec. 38-5.2. Causes for discharge or demotion; preferred eligibility list.** Causes for the discharge or demotion of a teacher either during or after the probationary period shall be gross inefficiency or immorality; willful and persistent violations of reasonable regulations of the department of public instruction; or for other good and just cause. Teachers may also be dismissed because of decrease in number of pupils or for other causes over which the department of public instruction has no control. Dismissals due to decrease in number of pupils or for causes over which the department of public instruction has no control shall begin with those teachers with the least number of years of service, and such teachers so dismissed shall be placed on a preferred eligibility list and shall have the right to be restored to duty in the order of length of service whenever vacancies occur in which the teacher is qualified.

**Sec. 38-5.3. Demotion or termination of contract by department of public instruction.** In case of demotion or termination of any contract, the department of public instruction shall furnish the teacher a written notice signed by the superintendent of its intention to consider the demotion or termination of his contract with full specification of the grounds for such consideration. Unless the teacher so notified, within ten days subsequent to the receipt of such notice, demands in writing an opportunity to appear before the department and offer reasons against such demotion or termination, the department may proceed with formal action for demotion or termination of the contract. If said teacher, within ten days after receipt of notice from the superintendent of the department demands in writing a hearing before said department, the department shall set a time for the hearing within thirty days from the date of said written demand and the superintendent of the department shall give the teacher at least fifteen days' notice in writing of the time and place of such hearing. No hearing shall be held during the summer vacation without the teacher's consent. Such hearing shall be private unless the teacher requests a public hearing. The hearing shall be conducted by a majority of the commissioners of public instruction and be confined to the grounds given for such termination. The department shall provide for a complete stenographic record of the proceedings, a copy of such record to be furnished to the teacher. The department may suspend a teacher pending final action to terminate his contract if, in its judgment, the character of the charges warrants such action.

Both parties may be present at such hearing, be represented by counsel, require witnesses to be under oath, cross-examine witnesses, take a record of the proceedings, and require the presence of witnesses in their behalf upon subpoena to be issued by the superintendent of the department. In case of the failure of any person to comply with a subpoena, a circuit court judge of the judicial circuit in which the person resides, upon application of any interested party, shall compel attendance of the person by attachment proceedings as for contempt. Any commissioner of public instruction may administer oaths to witnesses. After hearing, the commissioners by majority vote may enter upon its minutes an order of demotion or termination. If the decision of the

## ACT 29

commissioners, after hearing, is against demotion or termination of the contract, the charges and the record of the hearing shall be physically expunged from the minutes and, if the teacher has been suspended, he shall be paid his full salary for the period of such suspension.

The findings and decisions of the commissioners shall be final on all such hearings, provided that this shall not prevent appeals to the appropriate circuit court upon the ground that the determination made by the commissioners was made in manifest abuse of their discretion, was arbitrary and capricious or was clearly contrary to the evidence.

In any hearing or court action the commissioners shall be advised and represented by the attorney general, or may employ other legal counsel if so authorized by the attorney general.

**Sec. 38-5.4. Authorized leaves of absence; tenure status unaffected.** The granting of authorized leaves of absence by the department of public instruction to regularly employed teachers shall not affect any of the tenure rights which the teacher may have acquired prior thereto under the provisions of section 38-5.1."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **S.B. 78.**

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## ACT 29

An Act to Enlarge the Powers of the Board of Trustees of the Maui Community Hospitals.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The first sentence of section 148-21 (c) of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"(c) Powers and duties. The board of trustees shall have full charge and control and the management of the property and business of the Maui Community Hospitals, including, without limiting the generality of the foregoing, the power to change the character of any hospital under its jurisdiction to a clinic, dispensary, infirmary, or emergency hospital, and the power to grant scholarships or loan scholarships for the purpose of training professional personnel."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **S.B. 1100.**

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## ACT 30

An Act Repealing Section 42-23 and Amending Section 42-25, Revised Laws of Hawaii 1955, Relating to an Advisory Board of Vocational Education.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 42-23, Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 2. Section 42-25, Revised Laws of Hawaii 1955 is hereby amended as follows:

(a) by deleting from the first sentence thereof the words "or for the advisory board" and substituting therefor the word "and".

(b) by deleting the second sentence thereof in its entirety.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 7, 1959.) **H.B. 516.**

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## ACT 31

An Act Relating to Housing; Declaring a Public Emergency; and Amending Chapter 77 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Findings and Declaration.** It is hereby found and declared that an acute shortage of housing available to families of low and middle income at rentals they can afford has existed from at least 1945 to the present time within many areas of the Territory and that such shortage will continue to exist for a prolonged and indefinite period of time; that, with a greatly increased and growing population many persons, including those who will be displaced by acquisition of land for public improvements of the Territory and the City and County of Honolulu, are unable to obtain safe and sanitary housing accommodations at rentals they can afford or will be unable to obtain such housing accommodations at rentals they can afford during such future period; that, as a consequence, it is imperative that action be taken to assure the continued availability of certain housing developed or administered under Chapter 77 of the Revised Laws of Hawaii 1955, and to assure the development and administration of other housing necessary to remedy the above mentioned conditions; and that the provisions hereinafter enacted are necessary to assure the availability, development and administration of such housing which otherwise would not be available now or during such future period. It is further declared that, while many individual dwellings, apartment houses, hotels and other dwelling accommodations have been constructed in the Territory during the past ten years, these conditions have not been remedied and will not be remedied by the ordinary operations of private enterprise, that these conditions constitute a menace to the health, safety, morals and welfare of the inhabitants of such areas and that the public health, safety, morals and welfare require the enactment of the provisions hereof.

SECTION 2. Chapter 77 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By amending section 77-8 of said chapter 77 by substituting for the last word thereof the words "is repealed".

(b) By amending section 77-9 of said chapter 77 by (1) substituting for the word "expiration", in the sixth line thereof, the word "repeal" and (2) substituting for the word "becomes", in the seventh line thereof, the word "become".

ACT 32

(c) By repealing section 77-16 of said chapter 77.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **H.B. 548.**

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ACT 32

An Act to Amend Section 94-4 of the Revised Laws of Hawaii, 1955,  
Relating to Overtime Pay.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 94-4 of the Revised Laws of Hawaii 1955, is hereby amended by adding to subsection (a), (2) after the word "employed", the following:

"Overtime compensation shall be paid at the rate and for the hours at which it is earned."

SECTION 2. Section 94-4 of the Revised Laws of Hawaii 1955, is hereby further amended by adding to subsection (a), a new subsection to be numbered (3), and to read as follows:

"(3) The regular rate shall be the hourly rate and shall be computed as follows:

(a) If the employee is employed at a guaranteed weekly rate, the weekly rate shall be divided by 40 and the quotient shall be the hourly rate.

(b) If the employee is employed at a guaranteed bi-weekly rate, the bi-weekly rate shall be divided by 2 and the quotient divided by 40 and the resulting quotient shall be the hourly rate.

(c) If the employee is employed on a guaranteed semi-monthly rate, the semi-monthly rate shall be multiplied by 24, the result divided by 52, the quotient divided by 40 and the resulting quotient shall be the hourly rate.

(d) If the employee is employed on a guaranteed monthly rate, the monthly rate shall be multiplied by 12, the result divided by 52, the quotient divided by 40 and the resulting quotient shall be the hourly rate.

(e) If the employee is employed at a guaranteed weekly, bi-weekly, semi-monthly, or monthly rate plus earnings from commissions, bonus, piece work or other percentage basis, and the guaranteed rate is more than 50% of the total earnings for the pay period, the total earnings for the pay period shall be reduced to an hourly rate as provided in subsections (a), (b), (c), and (d), of this section, whichever is applicable.

(f) If the employee is employed at a guaranteed weekly, bi-weekly, semi-monthly, or monthly rate plus earnings from commissions, bonus, piece work or other percentage basis, and the guaranteed rate is less than 50% of the total earnings for the pay period, the total earnings for the pay period shall be reduced to an hourly rate as provided in subsections (a), (b), (c), and (d), of this section, whichever is applicable, except that the divisor of 40 shall not be used to establish the



hourly rate, but that the actual number of hours worked in the work-week shall be substituted as the divisor.

(g) If the employee is employed on commissions, bonus, piece work or other percentage basis without guaranteed compensation, the total earnings for the pay period shall be reduced to an hourly rate as provided in subsections (a), (b), (c), and (d), of this section, whichever is applicable, except that the divisor of 40 shall not be used to establish the hourly rate, but that the actual number of hours worked in the workweek shall be substituted as the divisor."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **H.B. 840.**

### ACT 33

An Act Amending Chapter 143 of the Revised Laws of Hawaii 1955, as Amended, and Relating to Powers and Duties of Local Redevelopment Agency.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 143-6 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new paragraph at the end thereof to read as follows:

"(e) To assist and cooperate with other local agencies within the Territory and to contract for professional services with such other local agencies in carrying out its duties."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **H.B. 979.**

### ACT 34

An Act Relating to Car Allowance for the Honolulu Police and Amending Section 150-13 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 150-13 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the word "governor" appearing in the eighth line of the paragraph and in lieu thereof substituting the word "mayor".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **H.B. 1224.**

### ACT 35

An Act to Amend Section 178-39 of the Revised Laws of Hawaii 1955, Relating to Branch Banks.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 178-39 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 178-39. Branch banks.** No bank or any officer or director, agent or employee thereof, shall open or maintain any branch in the Territory, or receive deposits or pay checks other than at its principal place of business or its established branches or such subsidiary collection offices as the treasurer may approve, except as hereinafter authorized; provided, that this section shall not apply to branch banks existent on July 1, 1931, and authorized to do business in the Territory, and provided further, that nothing in this section contained shall authorize any bank to change the location of any branch bank except as authorized by the procedure hereinafter outlined for opening of branch banks.

No bank shall be permitted to open or maintain in the district of Honolulu, in addition to the main office of the bank, more than three branch banks (whether designated as branch banks or collection offices) within each of the zones hereinafter described:

Zone I: extending from the western side of Nuuanu Avenue to the western limits of the district of Honolulu;

Zone II: extending from the eastern limits of Zone I to a line beginning at the sea and running along Kapahulu Avenue to the intersection of Kapahulu Avenue and Waialae Road, and thence following easterly on Waialae Road to St. Louis Drive, and thence along St. Louis Drive and Dole Street extension to the boundary between Manoa Valley and Palolo Valley, and thence along the boundary to the Koolau range;

Zone III: extending from the eastern limits of Zone II to the eastern limits of the district of Honolulu."

SECTION 2. All laws or parts of laws inconsistent with this Act are hereby amended to conform to this Act.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **S.B. 176.**

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## ACT 36

An Act to Amend Section 178-28 of the Revised Laws of Hawaii 1955 Relating to Capital Stock of Banks.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 178-28 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By deleting therefrom the last two sentences which read:  
"No bank shall issue any certificate of stock under any increase of capital until the whole amount of the increase has been fully paid. The amount of any increased capital stock shall be paid in the same manner as required in the organization of a bank."

(b) By inserting in lieu thereof a new sentence to read as follows:  
"No bank shall issue any certificate of stock under any increase of capital unless the shares represented by such certificate have been fully paid, but if such shares have been fully paid, a certificate of stock may be

issued therefor regardless of whether the whole amount of the authorized increase of capital has been fully paid."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **S.B. 529.**

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**ACT 37**

An Act to Amend Section 178-62 Revised Laws of Hawaii 1955, Relating to Bank Loans.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 178-62 Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 178-62. Loans to officers, directors or employees; restrictions; liability of officers and directors.** Except as herein provided, no bank shall make any loan or loans to any of its officers, directors, agents or employees, or to any company, firm, copartnership or association, excluding however corporations, in which any of the officers or directors of any such bank may be interested, either directly or indirectly, except upon the written application of such person, firm, copartnership or association, stating the line of credit applied for, terms and security, if any, offered therefor to the board of directors or to the advisory, discount or executive committee of the board, and then only with the written approval of a majority of the board or a majority of the advisory, discount or executive committee of the bank before such a loan is made, and the approval of such loan as allowed by the board or the advisory, discount or executive committee of the bank shall be made a part of the minutes of the next directors' meeting of the bank. Loans may be made to any officer, director, agent or employee of any bank, without such application and approval, (a) in any amounts where such loans are secured by bonds of the Territory, bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, where the amount of such collateral is equal to at least one hundred five per cent of the amount of any such loan; and (b) in amounts, excluding loans so secured, not in excess of \$2,500 in aggregate principal owing by any such individual at any one time. Any officer, director, agent or employee of any bank who knowingly permits the funds of the bank to be loaned in a dishonest manner or contrary to the provisions of this part shall be held responsible in his individual capacity for all damages which the bank, its shareholders, depositors, creditors or any persons shall have sustained in consequence thereof."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **S.B. 619.**

ACT 38

ACT 38

An Act to Amend Section 178-25 Revised Laws of Hawaii 1955, Relating to Issuance of Bank Stock.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 178-25 Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 178-25. Stock; issuance before paid for prohibited.** No bank shall issue any share of stock until the provisions of section 178-24 have been complied with."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **S.B. 620.**

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ACT 39

An Act Relating to Soil Conservation Districts, and Amending Section 28-9 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 28-9 of the Revised Laws of Hawaii 1955 is hereby amended by adding after the last paragraph thereof a new paragraph to read as follows:

"Any other provision contained in this chapter to the contrary notwithstanding, a referendum upon the question of the creation of the district need not be held if the petition asking for the organization of the district is signed by all of the land occupiers within the same."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 8, 1959.) **S.B. 704.**

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ACT 40

An Act Relating to Homesteading.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Except as hereinafter provided, no homestead shall be issued under any provision of law which shall not require residence upon and personal cultivation of such homestead by the homesteader for a period of not less than ten years.

Where the Commissioner of Public Lands is opening an area to homesteading and the cost of development for housing upon each homestead consistent with proper principles of land development would be unreasonably expensive, or where potable water or electricity cannot be provided for such living accommodations without extravagant and unreasonable cost, the Commissioner of Public Lands is authorized to waive the requirement for dwelling upon such homestead, or to establish a separate area for housing with a houselot not in excess of one-half acre for each homesteader, and dwelling thereon shall be construed as

dwelling upon a homestead granted to such resident, and the houselot site shall be construed as a portion of the homestead, provided, however, that the waiver of a requirement for dwelling upon any homestead, or the establishment of a separate area for housing, shall not relieve the homesteader from the requirement that the homesteader personally cultivate such homestead.

SECTION 2. Any other law in conflict in whole or in part with this Act is hereby amended or repealed to conform hereto.

SECTION 3. This Act shall take effect upon its approval, or, if at the time of its approval the consent of the Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the legislature of the State of Hawaii.

(Approved May 9, 1959.) **H.B. 611.**

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### ACT 41

An Act Making an Appropriation for an Oil Portrait of the Honorable Samuel Wilder King.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The sum of \$5,000 or so much thereof as may be necessary is hereby appropriated from the general revenues of the Territory not otherwise appropriated, for an oil portrait of the Honorable Samuel Wilder King, former governor of the Territory of Hawaii, to be placed in an appropriate location in the Capitol Building.

SECTION 2. The Governor of the Territory of Hawaii is hereby authorized to contract with an artist selected by him for the painting of such portrait. The painting shall be done in such manner as to conform to the desire of Mrs. Samuel Wilder King.

SECTION 3. The sum herein appropriated shall be expended upon grants issued by the comptroller and upon vouchers approved by the Governor of the Territory of Hawaii, provided, however, that Mrs. Samuel Wilder King and the members of the family of the Honorable Samuel Wilder King will approve the selection of the artist that receives the contract for the painting.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 9, 1959.) **S.B. 935.**

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### ACT 42

An Act to Amend Section 149-121 of the Revised Laws of Hawaii 1955, Relating to Budget Estimates.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-121 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) Delete from the first sentence of the third paragraph of said

section the word "such" between the words "check" and "estimates" and insert the words "all budget".

(b) Add the following sentence at the end of the last paragraph: "Any other law to the contrary notwithstanding, such minimum appropriation as well as any amount appropriated in excess of or in addition to such minimum, regardless of the source of revenues, shall be subject to the budget provisions of this section."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 11, 1959.) **H.B. 1095.**

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### ACT 43

An Act Relating to Meetings of Government Boards and Agencies and Records Thereof.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Definitions.** When used in this Act:

(a) The term "board" means any agency, board, commission, authority or committee of the Territory or its political subdivisions, either legislative or executive, but not including bodies of the judicial branch, established by law to serve a public purpose, whether such agency, board, commission, authority or committee is within or without the formal structure of government.

(b) The term "public record" means any written or printed report, book or paper, map or plan of the Territory or of a county and their respective subdivisions and boards, which is the property thereof, and in or on which an entry has been made or is required to be made by law, or which any public officer or employee has received or is required to receive for filing, but shall not include records which invade the right of privacy of an individual.

SECTION 2. **Public meetings.** Except as otherwise provided in this Act all meetings of every board shall be open to the public.

SECTION 3. **Executive sessions.** No board may meet in executive session, from which the public may be excluded except by a two-thirds recorded vote of its membership. No ordinance, ruling, regulation, contract, appointment or decision shall be finally acted upon at any such executive session.

SECTION 4. **Public records.** All public records shall be available for inspection by any person during established office hours unless public inspection of such records is in violation of any other territorial or federal law, provided that, except where such records are open under any rule of court, the attorney general and the responsible attorneys of the various counties may determine which records in their offices may be withheld from public inspection when such records pertain to the preparation of the prosecution or defense of any action or proceeding, prior to its commencement, to which the Territory or county is or may be a party, or when such records do not relate to a matter in violation of law

and are deemed necessary for the protection of the character or reputation of any person.

Certified copies of extracts from public records shall be given by the officer having the same in custody to any person demanding the same and paying or tendering 20 cents a folio of one hundred words for such copies or extracts.

**SECTION 5. Minutes.** All boards shall maintain minutes of their meetings setting forth an accurate record of votes and actions taken at such meetings. Unless otherwise required by the governor in the case of the Territory, by the mayor of the city and county of Honolulu or the county chairman in the case of the various counties, such minutes need not include a verbatim record of discussions at such meetings. The minutes of all boards shall be deemed public records; provided that the minutes of any executive session may remain secret so long as their publication would defeat the lawful purpose of the executive session, but no longer.

**SECTION 6. Application to circuit court.** Any person aggrieved by the denial by the officer having the custody of any public record of the right to inspect such records or to obtain copies of extracts thereof may apply to the circuit court of the circuit wherein the public record is found for an order directing such officer to permit the inspection of or to furnish copies of extracts of such public records. The court shall grant such order after hearing upon a finding that the denial was not for just and proper cause.

**SECTION 7.** Section 149-10 Revised Laws of Hawaii 1955 is hereby repealed.

**SECTION 8. Constitutionality.** If any provision of this Act, or any section, sentence, clause, phrase, or individual word, or the application thereof in any circumstance is held invalid, the validity of the remainder of the Act and of the application of any such part thereof in other circumstances shall not be affected thereby.

**SECTION 9.** This Act shall take effect upon its approval.

(Approved May 11, 1959.) **S.B. 30.**

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## ACT 44

An Act Amending Chapter 143 of the Revised Laws of Hawaii 1955, as Amended, Relating to Urban Redevelopment Agency's Authority to Lease Acquired Property and to Preference in the Sale of Acquired Lands.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Subsection (d) of section 143-1 of the Revised Laws of Hawaii 1955 is hereby amended by inserting a comma and the word "lease" after the word "sale" in the second line of said subsection.

**SECTION 2.** Section 143-12 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Section 143-12. Sale and lease of acquired lands; preference.** The agency shall sell or lease real property acquired by it for a redevelopment project at its fair value for use in accordance with the redevelopment plan notwithstanding such value may be less than the cost of acquiring and preparing such property for redevelopment. The property may be sold or leased to one or more individuals, corporations or public bodies or to a redevelopment corporation under such limitations, restrictions, requirements or covenants as will insure its being developed and continued in use in accordance with the redevelopment plan, and in a manner that will best promote the interests and welfare of the urban area in which such project is situated; provided that, where a redevelopment corporation is the purchaser or lessee, the contract or conveyance shall include a statement of the tax exemption, if any, which will be allowable under section 143-37, and any other terms necessary to carry into effect the provisions of this part relating to redevelopment corporations; provided, further, that, before making a contract to sell land in a project area planned for single family residential development, the agency shall give published notice of intention so to contract, or to sell such property, and within sixty days after the first publication of such notice, any individual or individuals, who owned land in such project area immediately before acquisition thereof by the agency, shall be entitled to preference in the purchase of one residential homesite therein; and provided, further, that, if the agency shall decide to lease any of said acquired property, the following requirements and limitations shall apply:

(a) The minimum size of the lots to be leased shall be 5,000 square feet.

(b) The lease term shall be for not more than 55 years.

(c) The lessee shall be given an option to purchase the leased property during the first five years of such lease. During the balance of the term of the lease, the lessee shall have the first right of refusal to purchase the leased property, provided that the leased property shall not be sold by the agency to any person or corporation except to the lessee during the first five years of said lease. In the event that the lessee shall not exercise the first right of refusal as set forth above, the agency may sell the leased property to any person or corporation at fair value subject to the lease.

(d) The agency shall notify the board of its decision to lease such property. Within thirty days of such notification, the board may disapprove the agency's decision to lease by an affirmative vote of five of its members.

The agency shall enforce any such limitations, restrictions, requirements and covenants throughout their duration by injunction, or other action at law or in equity, or by any other appropriate means. Such limitations, restrictions, requirements or covenants shall have the effect of covenants running with the land for such period and with such exceptions as may be provided in the deeds or contracts relating to such sale or leasing. In making any such sale or lease the agency shall impose and require among other things a reasonable time limit for initiating construction of the redevelopment project."



SECTION 3. Section 143-26 of the Revised Laws of Hawaii 1955 is hereby amended by inserting the words "or, in the case of a lease, for amortization," after the comma following the word "improvements" in the sixth line of said section.

SECTION 4. Section 143-32 of the Revised Laws of Hawaii 1955 is hereby amended by amending the last sentence thereof to read as follows:

"Such contract may include an agreement to sell or lease property subject to sale or lease covered by such redevelopment project to such redevelopment corporation after acquisition and clearing of the land in such project."

SECTION 5. Section 143-33 of the Revised Laws of Hawaii 1955 is hereby amended by inserting the words "or leasing" after the word "selling" in the first line of the paragraph designated as (d) in said section.

SECTION 6. Section 143-37 of the Revised Laws of Hawaii 1955 is hereby amended by inserting the words "or amortization" after the word "depreciation" in the thirty-second line of said section.

SECTION 7. This Act shall take effect upon its approval and shall retrospectively apply to such property acquired and unsold or in the process of acquisition, on the date of this Act's approval, under redevelopment plans approved under section 143-7, Revised Laws of Hawaii 1955.

(Approved May 11, 1959.) **H.B. 1293.**

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## ACT 45

An Act Amending Chapter 143 of the Revised Laws of Hawaii 1955, as Amended, Relating to Auxiliary Redevelopment Areas.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 143-20.1 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

**"Sec. 143-20.1. Same, displaced persons.** Where the redevelopment agency of a county finds: (a) that there is a shortage of decent, safe and sanitary housing in the county; (b) that the provision of decent, safe and sanitary housing for rent or dwelling units for sale on undeveloped vacant land is necessary to accomplish the relocation of families displaced or to be displaced from areas acquired by governmental agencies for public purposes; and (c) that the acquisition of a fee or leasehold interest of a particularly described area of such undeveloped vacant land (hereinafter also called an auxiliary redevelopment project), suitable for development for predominantly residential uses and so characterized in the master plan, is essential to provide for the development of housing facilities at rents such displaced families can afford or of dwelling units at prices such displaced families can pay, then the planning, acquisition, preparation for development or disposal of such auxiliary redevelopment area shall constitute a re-

development project which may be undertaken by the agency in the manner provided by this chapter.

'Undeveloped vacant' land as used in this section shall mean:

(a) any land within the City and County of Honolulu which is free or substantially free of buildings, structures or other improvements thereon and shall include any land devoted to farm, pasturage or other agricultural uses, provided, that no land in any agricultural use situated outside the District of Honolulu, excepting those situate in the ahupuaas of Halawa and Aiea inclusive, shall be taken or utilized for auxiliary redevelopment projects under this section,

(b) any land within a redevelopment project area acquired and cleared by the agency, which land, at the time of its disposition, is found by the agency to be suitable and necessary to relocate displaced families as provided in this section.

"The procedure and exceptions set forth in section 143-20 (but excluding exception (c) (1) therein) shall apply to any such projects; provided, that pursuant to the provisions of Section 8-5, the agency may take and acquire any estate less than a fee simple estate in undeveloped vacant lands whenever it shall appear that the purposes of this section shall be best achieved and promoted by such taking.

"Where the redevelopment plan for such project makes provision for the development of housing facilities for rent, the agency shall sell, lease or sublease such land to qualified developers at its fair value for use in accordance with the redevelopment plan, such value to reflect the restrictions imposed on developers and covenants running with such project land, including restrictions on rent ceilings and modification thereof which the agency is hereby authorized to impose by regulation for a period up to thirty years for such development in order to achieve private ownership and operation of such properties at a reasonable profit while providing for rentals which displaced families can afford.

"Where the redevelopment plan for such project makes provision for the subdivision and development of such land for single family dwelling units for sale to such displaced families, the agency shall sell such land to qualified developers at its fair value for development and use in accordance with such redevelopment plan, such value to reflect the restrictions imposed on developers and covenants running with such project lands to limit the price of sale thereof to prices which displaced families can afford while permitting developers a reasonable profit therefrom, and to prevent speculative resale thereof by purchasers and their assigns.

"All developers of auxiliary redevelopment projects authorized by this section shall be entitled to claim exemption from taxes as provided by section 143-37 for all project lands and improvements providing for housing facilities for rent to families displaced from public projects wherever the projects may qualify under the provisions of said section."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 11, 1959.) **H.B. 1177.**

**ACT 46**

An Act to Amend Section 44-3 of the Revised Laws of Hawaii 1955, as Amended, Relating to Powers of the Board of Regents of the University of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The second paragraph of section 44-3 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"The board may charge a tuition fee of not more than \$170 per academic year for regular courses of instruction; in addition thereto, the board may charge other fees for special programs of instruction or for summer session courses or evening courses, as well as laboratory fees or course fees or fees for student activities. The board may, however, within its discretion, waive entirely or reduce the tuition fee or any of the other fees in cases of students upon whom the payment thereof would, in the opinion of the board, work an undue hardship."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 12, 1959.) **H.B. 519.**

**ACT 47**

An Act Amending Section 108-36 of the Revised Laws of Hawaii 1955, as Amended, Relating to Public Assistance to Needy Persons.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 108-36 of the Revised Laws of Hawaii 1955, as amended by Act 87, of the Session Laws of Hawaii 1957, is hereby further amended by amending the last sentence of said section to read as follows:

"The first \$50 per month of earned income of a blind applicant shall not be taken into consideration by the department in determining his need for assistance, and the earned income of the blind applicant so disregarded shall not be taken into consideration in determining the need of any other individual for assistance under the federal categories of Old Age Assistance, Aid to the Blind, Aid to Dependent Children or Aid to the Permanently and Totally Disabled, so long as such exception is a requirement of the Social Security Act that must be complied with in order for the Territory to receive federal matching funds under the program of aid to the blind."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 12, 1959.) **H.B. 545.**

**ACT 48**

An Act Relating to Workmen's Compensation and Amending Sections 97-21, 97-23 and 97-55 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 97-21 of the Revised Laws of Hawaii 1955, as

## ACT 49

amended, is hereby further amended (a) by amending the first paragraph of Section 97-21 to read:

**"Section 97-21. Periods of compensation.** The compensation provided for in Section 97-23 shall be payable during the following periods, but for any one death shall not exceed in the aggregate the sum of \$25,000 nor shall it be less than \$2,000 except as otherwise provided with respect to a widow or child."

(b) by amending the fifth paragraph of Section 97-21 to read:

"To a parent or grandparent, during periods when conditions of dependency exist; provided that the amount of compensation shall at no time exceed the amount payable at the time of death."

SECTION 2. Section 97-23 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the colon at the end of the first paragraph and substituting therefor a comma and adding the following:

"and provided, further, that the aggregate compensation for any one death shall not be less than \$2,000, exclusive of funeral and burial expenses:"

SECTION 3. This Act shall take effect upon its approval.

(Approved May 12, 1959.) **H.B. 631.**

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## ACT 49

An Act to Amend Chapter 143 of the Revised Laws of Hawaii 1955 by Changing the Title Thereof.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The title of Chapter 143 of the Revised Laws of Hawaii 1955 is amended to read "Urban Renewal Law".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 12, 1959.) **H.B. 1092.**

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## ACT 50

An Act to Amend Section 149-183 of the Revised Laws of Hawaii 1955, Relating to Master Plan of the City and County of Honolulu.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-183 of the Revised Laws of Hawaii 1955, is hereby amended by inserting the words and punctuation, "future land use zones," following the words and punctuation "building zone districts," appearing in the first sentence thereof.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 12, 1959.) **H.B. 1320.**

## ACT 51

An Act Relating to the Economic Planning and Coordination Authority, and Amending Sections 28A-3, 28A-4 and 28A-9 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 28A-3 of the Revised Laws of Hawaii 1955, as amended by Act 23 of the Session Laws of Hawaii 1957, is hereby further amended by amending the second, third and fourth paragraphs to read as follows:

"The authority may contract with qualified private and public agencies, associations, firms, or individuals within or without the Territory in pursuance of the authority's duties and functions; provided, that preference shall be given to contractors within the Territory; provided further that preference shall be given to qualified parties who agree to match authority funds in whole or in part with funds, equipment, materials, or services; and provided further that funds to assist associations of producers, processors, or distributors of agricultural or industrial products to introduce products which are new or inadequately known to consumers shall be matched by funds equal to at least forty per cent of the funds contracted for by the authority or expenses incurred by the authority in behalf of such associations.

Such contracts shall be approved in writing by a majority of the members of the authority and shall specify the name of the contractor, the nature of the work to be performed, the manner in which funds may be expended, and such data as the territorial comptroller may require. The allocation of any such contract shall be presented to the territorial director of the bureau of the budget and expended by the territorial comptroller upon vouchers issued by the contractor and approved by the chairman of the authority. No such contract shall be entered into by the authority until all interested and qualified persons registered to do business in the Territory have been given a reasonable opportunity to submit their proposal of the manner in which such contract is to be performed and the results which can be achieved within the limit of the funds available, together with their qualifications to do the work.

When necessary to effectuate the purposes of this chapter, funds to territorial agencies may authorize expenditures for the purchase of machinery and equipment and the erection and conversion of structures, laboratories, and buildings within the Territory, which facilities shall be and remain under the jurisdiction of said agencies. Private agencies, associations, firms or individuals shall provide all structures and equipment necessary to effectuate the purposes of funds made to them, in which cases the value which may be attributed to the use of such facilities shall be considered as matching funds. The authority shall retain under its own jurisdiction only such furniture, office equipment, and other equipment as is necessary for administration purposes."

SECTION 2. Section 28A-4 of the Revised Laws of Hawaii 1955, as amended by Act 23 of the Session Laws of Hawaii 1957, is hereby further amended by deleting the words "or grant made" in the fourth line therein.

SECTION 3. Section 28A-9 of the Revised Laws of Hawaii 1955, as

## ACT 52

amended by Act 23 of the Session Laws of Hawaii 1957, is hereby further amended by deleting the word "of" in the fifth line therein and in lieu thereof substituting the word "and".

SECTION 4. This Act shall take effect upon its approval.

(Approved May 12, 1959.) **H.B. 1402.**

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## ACT 52

An Act Amending Chapter 242, Revised Laws of Hawaii 1955, to Permit a Person in Adverse Possession of Real Property for Ten Years to Establish Title and to Require Notice of Pendency of Action by Publication in Certain Instances.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 242-1, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"**Sec. 242-1. Object of action.** (a) Action may be brought in any of the circuit courts by any person, against another person who claims, or who may claim, adversely to the plaintiff, an estate or interest in real property, for the purpose of determining such adverse claim.

(b) Action for the purpose of establishing title to real property may be brought in any of the circuit courts by any person who has been in adverse possession of such real property for not less than ten years."

SECTION 2. Chapter 242, Revised Laws of Hawaii 1955, is hereby amended by the addition of two sections to be numbered and to read as follows:

"**Sec. 242-2.1. Notice by publication.** In any action brought under section 242-1(b), if there are persons who may claim interests in the property adverse to the plaintiff and cannot be found, notice in the form required by section 342-25 shall be published in a newspaper of general circulation and the provisions of section 342-26 shall also be made applicable herein.

**Sec. 242-2.2. Default; effect.** If no person appears and answers within the time allowed, the court may at once, upon motion of the plaintiff and no reason to the contrary appearing, order a general default to be recorded and the claim of plaintiff taken to be correct. By the description in the notice 'to all whom it may concern,' all the world are made parties defendant and shall be concluded by the default and order. After such default and order the court may enter a decree confirming the title in the plaintiff."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 13, 1959.) **S.B. 782.**

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## ACT 53

An Act Relating to Industrial Homework in the Garment Industry.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Definitions.** As used herein:

(a) The meaning of the terms "employ", "employee", "commission",

"director", and "industry" is the same as defined in Section 94-2, Revised Laws of Hawaii 1955, as amended.

(b) "Appeal board" means the labor and industrial relations appeal board.

(c) "Person" means an individual, partnership, firm, association, domestic or foreign corporation, the legal representatives of a deceased individual, or the receiver, trustee or successor of an individual, firm, partnership, association, or domestic or foreign corporation.

(d) "Employer" means any person who directly or indirectly distributes or delivers or causes to be distributed or delivered to another person goods to be manufactured in or about a home and thereafter returned to him (for other than personal use by him or members of his family), or to be disposed of otherwise as directed or arranged by him, or (2) sells or causes to be sold to another person goods to be manufactured in or about a home, and, after such manufacture, to be repurchased by him or purchased or otherwise disposed of by any other person as directed or arranged by him.

(e) "Goods" means goods, wares, products, commodities merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof.

(f) "Manufacture" means preparing, altering, repairing, producing, wrapping, packaging, finishing, processing in whole or in part, handling in any way or working in any way with respect to articles, goods, materials, wares, products, or merchandise of any character.

(g) "Industrial homemaker" or "homemaker" means any employee employed or suffered or permitted to perform industrial homework for any employer.

(h) "Industrial homework" means the manufacture of goods by any person in or about a home, apartment, tenement, or room in a residential establishment for an employer who suffers or permits such manufacture, regardless of the source (whether obtained from an employer or elsewhere) of the materials used by the homemaker in such production.

(i) "Garment industry" means the production of men's women's and children's wearing apparel from any material.

**SECTION 2. Restriction of industrial homework.** No industrial homework in the garment industry shall be performed unless a special industrial homework certificate issued and in effect pursuant to this rule has been obtained for each industrial homemaker.

**SECTION 3. Application for special industrial homework certificate.** Application for special industrial homework certificate shall be made by the employer to the director on forms furnished for that purpose by the Wage and Hour Division of the Department of Labor and Industrial Relations. The application must contain all information required by the form and be signed by the employer and the industrial worker.

**SECTION 4. Issuance of certificates.**

(a) Upon receipt of an application for a special industrial homework certificate, the director may order the issuance of such certificate pro-

vided that the application is in proper form and sets forth facts showing that the industrial homeworker:

(1) is unable to adjust to factory work because of age or physical or mental disability; or

(2) is unable to leave home because his presence is required to care for an invalid or children under the age of 6 years in the home; or

(3) is engaged in industrial homework under the auspices or supervision of a vocational rehabilitation agency of the Territory of Hawaii.

(b) A special industrial homework certificate shall be issued only if the employer maintains a factory in the Territory of Hawaii in which persons are employed on operations the same as, or similar to, the proposed homework operations.

(c) No special industrial homework certificate may be issued to any person under the age of 16 years.

(d) No special industrial homework certificate may be issued to any person suffering from an infectious, contagious, or communicable disease or living in a home that is not clean, sanitary, and free from infectious, contagious, or communicable disease.

**SECTION 5. Investigation.** An investigation may be ordered in any case to obtain additional data or facts. A medical examination of the worker or invalid may be ordered or a certification of facts concerning eligibility for the certificate by the director may be required.

**SECTION 6. Operations under industrial homework certificates.**

(a) No industrial homeworker shall perform industrial homework for more than one employer at a time.

(b) Each industrial homeworker shall be furnished by the employer with a sample of the work to be performed to which is affixed a notation of the applicable piece-work rate, and which sample is to be present in the place where the industrial homework is performed.

(c) No employer shall deliver or cause to be delivered any materials or articles to be manufactured by any industrial homeworker unless there has been conspicuously affixed to each article or material a label or other mark of identification bearing the employer's name and address, printed or written legibly in English. But if the goods are of such a nature that they cannot be individually labeled or identified, then the employer shall conspicuously label the goods in such manner as the director may by rule or regulation prescribe.

**SECTION 7. Employment status.** All industrial homeworkers shall be presumed to be employees of their employers and not independent contractors or self-employed persons.

**SECTION 8. Termination of certificates.** Certificates shall be valid under the terms set forth in the certificate for a period of not more than 12 months from the date of issuance or such shorter period as may be fixed in the certificate. Application for renewal of any certificate shall be filed in the same manner as an original application. A "properly executed" application is one which contains the complete information required on the form.

**SECTION 9. Preservation of certificates.** A copy of the certificate



shall be sent to the homemaker who shall keep such copy on the premises on which the work is performed. A copy shall also be sent to the employer who shall keep such copy on file in the same place at which the worker's employment records are maintained.

#### SECTION 10. Records and reports.

(a) The issuance of a certificate shall not relieve the employer of the duty of maintaining the records required by Rule XIII of the Commission and of Chapter 94, Revised Laws of Hawaii 1955, as amended, and failure to keep such records shall be sufficient cause for revocation or cancellation of certificates issued to such an employer.

(b) In addition to compliance with the record keeping requirements of Rule XIII of the Commission and Chapter 94, Revised Laws of Hawaii 1955, as amended, a separate handbook (to be obtained by the employer from the Wage and Hour Division and supplied by him to each worker) shall be kept for each homemaker. The information required therein shall be entered by the employer or the person distributing or collecting homework on behalf of such employer each time work is given out to or received from a homemaker. Except for the time necessary for the making of entries by the employer, the handbook must remain in the possession of the homemaker until such time as the Wage and Hour Division may request it. Upon completion of the handbook (that is, no space remains for additional entries) or termination of the homemaker's services the handbook shall be returned to the employer for preservation in accordance with Rule XIII of the Commission. A separate record and a separate handbook shall be kept for each person performing homework.

**SECTION 11. Revocation and cancellation.** Any certificate may be revoked or cancelled for cause at any time by the director after affording all interested parties reasonable opportunity for a fair hearing. Cause shall mean violation of any provision of this rule, or any provision of Chapters 94 or 95, Revised Laws of Hawaii 1955, as amended. No new certificate shall be issued to the offending party for a period up to one year.

#### SECTION 12. Reconsideration; appeal; stay of enforcement.

(a) Reconsideration. In the absence of appeal and within ten days after mailing or delivery of notice of decision made pursuant to Sections 4 and 11 to the parties entitled thereto, the director may, for good cause, on his own motion or upon application of any interested party reconsider such decision. Upon an application for reconsideration the director shall promptly reconsider the decision or, upon his own motion, transfer the application to the appeal board. Upon transfer such application shall be deemed to constitute an appeal from the director's decision as of the date of the application.

(b) Appeals from director's decisions. Any person deeming himself aggrieved by the decision of the director made pursuant to Sections 4, 11 or 12 (a) may appeal from such decision by filing a written notice of appeal within ten days after mailing or delivery of notice of decision with the appeal board.

The appeal board shall hold a full hearing de novo on the appeal

and make its decision in writing which shall be filed with the record of the proceedings. The appeal board shall immediately send to the parties and the director a copy of the decision.

(c) Appeals from the appeal board. Any person deeming himself aggrieved by the decision of the appeal board shall have the same right to appeal therefrom, in the same manner and upon the same conditions, as is provided for by Section 88-14, Revised Laws of Hawaii 19155, with respect to appeals from decisions of the commission.

(d) Stay of enforcement. In no case shall an application for reconsideration or an appeal to the appeal board or to the circuit court operate as supersedeas or stay unless the circuit court so orders.

**SECTION 13. Penalty.** No employer shall employ any industrial homemaker under a special certificate in violation of the terms thereof. Any employer who wilfully violates any provision of this rule shall be subject to a fine of not more than \$500 or imprisonment for not more than 90 days, or both such fine or imprisonment, for each such offense. Each day a violation shall continue shall constitute a separate offense.

**SECTION 14. Effective date.** This Act shall take effect one year from the date of its approval.

(Approved May 14, 1959.) **H.B. 1456.**

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## ACT 54

An Act to Amend Section 22-73 of the Revised Laws of Hawaii 1955, Relating to Grading Standards and Regulations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Section 22-73 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 22-73. Grading standards and regulations.** The board may make rules and regulations with respect to:

- (a) Sale and transportation for sale of eggs for human consumption;
- (b) Specific grades or standards of quality, condition and size or weight classes which shall conform when practical to those established by the United States Department of Agriculture as local conditions will permit;
- (c) Inspection and classification;
- (d) Assessment and collection of fees for requested certification at a rate not to exceed three and one-half dollars (\$3.50) per hour for each inspector for such service;
- (e) Labelling of containers of imported and locally produced eggs;
- (f) Seller's invoice for sale of eggs;
- (g) Records of imported shell eggs of foreign origin and enforcement of the provisions of this part and of the rules and regulations promulgated under authority of this part."

**SECTION 2.** This Act shall take effect upon its approval.

(Approved May 14, 1959.) **H.B. 887.**

## ACT 55

An Act Relating to Game Bird Farming and Amending Title of Part VII, Chapter 21, and Sections 21-170, 21-171, 21-172, 21-173, 21-175, 21-177 and 21-178 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The title of PART VII of Chapter 21 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"PART VII. PRIVATE AND COMMERCIAL SHOOTING PRESERVES AND GAME BIRD FARMING."**

SECTION 2. Section 21-170 of the Revised Laws of Hawaii 1955 is hereby amended by amending the first paragraph thereof to read as follows:

**"Sec. 21-170. Private and commercial shooting preserve and farmer's license.** For the purpose of encouraging private and commercial shooting preserve and game bird farming and the domestication and propagation of game birds, a license which shall authorize the licensee to engage in the business of conducting a private and commercial shooting game preserve, breeding and selling game birds, as limited herein, shall be issued by the board of commissioners of agriculture and forestry, with such rules and regulations as may be promulgated by the board, to any responsible resident person duly applying therefor, such licenses to expire on June 30 of each year."

SECTION 3. Section 21-171 of the Revised Laws of Hawaii 1955 is hereby amended by amending the first paragraph thereof to read as follows:

**"Sec. 21-171. Importation; sale of game birds.** Any responsible resident of good character who is a holder of such license as defined in Sec. 21-170, as amended, may bring within the Territory and have the custody of, for the purpose of conducting a private and commercial shooting preserve, domestication, propagation or selling, as in this part provided, any game birds, except such game birds that might cause damage or become injurious or detrimental to the agricultural or horticultural industries or to the forests of the Territory as provided for in section 26-2."

SECTION 4. Section 21-172 of the Revised Laws of Hawaii 1955 is hereby amended by repealing the second paragraph thereof.

SECTION 5. Section 21-173 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto the phrase "purchased or received from a licensed game bird farm" after the word "thereof" in the fourth line of said section.

SECTION 6. Section 21-175 of the Revised Laws of Hawaii 1955 is hereby amended by amending the title thereof to read as follows:

**"Sec. 21-175. Report by licensed private and commercial shooting preserve operator; farmer."**

SECTION 7. Section 21-177 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto the phrase "or upon any land or property upon which notice has been posted that the same is a private and commercial shooting preserve" after the word "farm" in the fourth line of said section.

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SECTION 8. Section 21-178 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 21-178. Inspection of private and commercial shooting preserve and game farm.** Any member of the board, its authorized agent or game warden may, at any time, enter upon any private and commercial shooting preserve or game farm of a licensee for the purpose of inspection thereof, or for the purpose of enforcing this part or any game laws."

SECTION 9. This Act shall take effect upon its approval.

(Approved May 14, 1959.) **H.B. 1593.**

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ACT 56

An Act Relating to Minimum Sizes of Nets and Traps for Fishing, Providing Penalties for Violation, and Amending Section 21-62 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 21-62 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto the following paragraph:

"Any person violating the provisions of this section shall be fined not less than \$25 nor more than \$200, or imprisoned not more than fifty days, or both."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 14, 1959.) **H.B. 1599.**

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ACT 57

An Act to Amend Section 153-2, Revised Laws of Hawaii 1955, as Amended, Relating to Assessment for the Construction of Sanitary Sewers.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 153-2 of the Revised Laws of Hawaii 1955 as amended is further amended to read as follows:

**Section 153-2. Sanitary sewerage systems.** The term "storm drainage system" whenever used in this chapter includes "sanitary sewerage system"; provided, that for the construction of sanitary sewerage systems, the lands specially benefited by such improvement shall be assessed according to the area of the lands within an improvement district at the following rates: 8 cents per square foot for residential zoned areas, 10 cents per square foot for business and industrial zoned areas and 12 cents per square foot for hotel and apartment zoned areas. The balance of the cost shall be borne by the city and county, except that, where the construction of any such system is initiated under section 153-8 or 153-9, the total cost thereof shall be assessed against the lands specially benefited.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 14, 1959.) **H.B. 1084.**

**ACT 58**

An Act Amending Section 23-27, Revised Laws of Hawaii 1955, as Amended, Relating to Fees for Inspection of Animals.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 23-27, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding the following paragraphs thereto, to read as follows:

"The management of any slaughterhouse, or the owner of any animal to be slaughtered requiring the services of a meat inspector after the normal working hours of such inspector in any work day, or on Sundays, or other legal holidays, shall pay to the board of agriculture and forestry for such overtime inspection services, the sum of \$5.00 for each man-hour of work performed by the inspector.

The board of agriculture and forestry shall pay the inspector, or inspectors, for all overtime inspection services performed, provided that the party requesting or requiring the overtime inspection services shall sufficiently in advance of the overtime period, arrange with the board for such services."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 14, 1959) **H.B. 1368.**

**ACT 59**

An Act Relating to Elections and Amending Act 191, Session Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Act 191 Session Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By amending that portion of Section 1(f) thereof which sets forth item 8 of the "Affidavit On Application for Registration" to read as follows:

"8. I have resided in the Territory of Hawaii or State of Hawaii, or both, not less than one year, and in the ..... representative district not less than three months, immediately preceding this date on which I now offer to register, to wit, this ..... day of ....., 19.....

or

I have resided in the Territory of Hawaii or State of Hawaii, or both, not less than nine months and in the ..... representative district not less than three months, immediately preceding this date on which I now offer to register, to wit, this ..... day of ....., 19....., and on the date of the next election (primary or general) I will have resided in the Territory of Hawaii or State of Hawaii, or both, not less than one year immediately preceding said election."

(b) By deleting therefrom Section 1(g), which deletion shall have the effect of continuing the provision which Section 1(g) would have deleted.

(c) By amending Section 1(h) (3) to read as follows:

"(3) By deleting from the ninth line the words 'insane or an idiot' and

inserting in lieu thereof the words 'non compos mentis'."

(d) By deleting Section 1(i) (1) so that the first sentence of section 11-36 Revised Laws of Hawaii 1955 will read the same as is set forth in the said Revised Laws of Hawaii 1955.

(e) By amending Section 1(i) (2) thereof to read as follows:

"(2) By deleting the second sentence of said section and inserting in lieu thereof the following: 'Such boxes shall be marked in plain letters 'For Members of Congress and State Offices' and shall bear no other device or mark.'"

(f) By amending the quoted portion of Section 1(j), following the subtitle thereof, to read:

"There shall be but one ballot for members of congress and state offices. The positions on a ballot shall be arranged substantially as follows: First, United States senators; next, members of the United States house of representatives; next, governor; next, lieutenant governor; next, state senators; and next, state representatives. Each ballot shall be of such color for each election as may be determined by the secretary. The size, weight, shape and thickness of each ballot shall be determined by the secretary, and except as provided in section 174 (section 11-3 Revised Laws of Hawaii 1955), shall contain the names of all candidates for Congress and for State office who may have been duly nominated according to law."

(g) By deleting subparagraphs (m) and (n) of Section 1 thereof so that sections 11-52 and 11-54 Revised Laws of Hawaii 1955 will read as the same are set forth in the said Revised Laws of Hawaii 1955.

(h) By adding a new subsection to Section 1 thereof to read as follows:

"(hh) By amending section 176 (section 11-6 Revised Laws of Hawaii 1955) by inserting, after the word 'person' where the same first appears therein, the words 'who has reached the age of twenty years, or who will have reached the age of twenty years on or before the date of the next election, and is otherwise.'"

(i) By adding a new subsection to Section 1 thereof to read as follows:

"(ii) By further amending section 265, as amended by Act 152 of the Session Laws of Hawaii 1947, by adding at the end thereof a new paragraph to read as follows:

'Any person holding office in, under, or by authority of the Territory of Hawaii or any of its subdivision shall resign such office upon being nominated at any primary election or the day before any special election if such person seeks election to the State legislature; provided, that this section shall not apply to any member of the Territorial legislature seeking election to the State legislature. For the purposes of this section, the term 'office' shall be distinguished from employment and shall not include notaries public, reserve police officers or officers of emergency organizations for civilian defense or disaster relief.'"

(j) By amending Section 5 thereof by inserting after the date "November 7, 1950" and before the comma (,) the words "or relating to the admission of the state".

(k) By further amending Section 5 by adding thereto the following:

"Such submission shall be by ballot and shall be conducted and the results

thereof determined in conformity with the law governing general elections and Section 8(c) of this Act, except as otherwise provided."

(1) By amending Section 6 thereof to read as follows:

"Section 6. The ballot for such submission shall be printed and distributed by the secretary of Hawaii and shall be in such form as may be prescribed by the governor by proclamation or executive order.

The returns of said submission shall be made by the election officers directly to the secretary of Hawaii, who shall certify the results of the submission to the governor. The governor shall certify such results to the President of the United States."

SECTION 2. Notwithstanding other statutory provisions to the contrary, upon the issuance of the proclamation by the governor of the Territory of Hawaii providing for the initial State elections, the general county register shall open for the purpose as hereinafter stated and shall remain open until closed pursuant to Section 11-14, Revised Laws of Hawaii 1955. The purpose of this section is to provide an opportunity for those who desire to register to vote in the initial or subsequent State elections and not for voting in any territorial election.

SECTION 3. If any provision of this Act, or any section, subsection, sentence, clause, phrase, or individual word, or the application thereof in any circumstance is held invalid, the validity of the remainder of the Act and of the application of any such provision, section, subsection, sentence, clause, phrase, or individual word in other circumstances shall not be affected thereby.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 14, 1959.) **S.B. 936.**

## ACT 60

An Act Relating to the Employees' Retirement System of the Territory of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-20 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by amending the definitions of the terms "fireman" and "policeman" to read as follows:

"'Fireman': all regularly employed members of the fire departments of the city and county of Honolulu, the counties of Kauai, Maui, and Hawaii, and of the Hawaii aeronautics commission, whose principal duties are to prevent and fight fires."

"'Policeman': all duly commissioned members of the police and sheriff's departments of the city and county of Honolulu and the counties of Kauai, Maui, and Hawaii, whose principal duties are law enforcement and who are paid on a monthly salary basis, including, without limiting the generality of the foregoing, all police matrons and guards who work under the jurisdiction of the police departments of the city and county of Honolulu and the various counties and jail guards and matrons who work under

the jurisdiction of the sheriff's department of the city and county of Honolulu."

SECTION 2. Chapter 6 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new section to read as follows:

"Sec. 6-82.01. Retirement of members with service as fireman or policeman. Any member whose creditable service includes service as a fireman or policeman regardless of the capacity in which he may be serving at the time of his application for retirement, shall be allowed to retire in the category in which he has the longest period of creditable service."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 14, 1959.) **H.B. 287.**

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ACT 61

An Act Relating to Unclaimed Funds on Corporate Liquidations and Amending Section 235-14 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 235-14 of the Revised Laws of Hawaii 1955, as amended by Act 152 of the Session Laws of Hawaii 1957, is hereby further amended to read as follows:

"**Sec. 235-14. Unclaimed funds on corporate liquidations.** If any shareholders of a corporation are unknown or cannot be located or fail or refuse to accept or collect any liquidating distribution payable by the corporation to such shareholders in connection with the liquidation of the corporation or any dividends previously payable by the corporation to such shareholders and not deposited pursuant to section 235-15, or if for any other reason (except lack of funds) it shall be impossible for the corporation or the trustee or trustees for its creditors and stockholders to make payment of such liquidating distribution or such dividends to such shareholders, the corporation, or the trustee or trustees for its creditors and stockholders if it shall have been dissolved, shall deposit such liquidating distribution or dividends with the treasurer of the Territory. Any such deposit of a liquidating distribution payable to such shareholders may be made at any time after the payment date for such liquidating distribution, but shall be made not later than two years after such payment date. Any such deposit of dividends payable to such shareholders may be made at any time after the payment date for any liquidating distribution in connection with the liquidation of the corporation, but shall be made not later than two years after the payment date for the first such liquidating distribution. Any deposit pursuant hereto shall be accompanied by a written report, in sextuplicate, giving the names and last known addresses of such shareholders as the same appear on the books and records of the corporation and the amount of money to which each of such shareholders is entitled on account of any liquidating distribution or dividends included in each deposit. The report shall be in such form as the treasurer may require. The deposit with the treasurer of any such liquidating distribution or dividends payable to any shareholders as aforesaid, whether made by



the corporation or by the trustee or trustees, shall relieve and release the corporation and the trustee or trustees from any and all further liability to any and all persons entitled thereto. At any time within five years after such deposit, any person who would have been entitled to any portion thereof if the same had not been so deposited, or his legal representative, upon making satisfactory proof to the comptroller of the Territory of his right thereto, shall be entitled to receive the amount thereof, out of any moneys in the treasury not otherwise appropriated, upon warrant drawn by the comptroller upon the treasurer.

"If any such amount has not been claimed after five years, the treasurer shall transmit the original and four copies of the report to the attorney general, and the attorney general shall file an information, in the name of the Territory, in the circuit court of the first judicial circuit. All applicable provisions of section 235-12 shall apply to the information, and to the notice to be given thereon and the proceedings to be had thereunder; provided, in no case shall it be necessary to join the corporation or any such trustee as a party therein. Upon the entry of the appropriate decree, all such moneys, over and above the amount actually necessary to pay the costs of such proceedings, including advertising, shall thereupon escheat to the Territory and shall be deposited in the treasury, but subject to further claim for a period of five years, all in the manner as provided by section 235-13, and subject to the provisions therein contained."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 15, 1959.) **H.B. 325.**

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## ACT 62

An Act Authorizing Willard G. Wilkinson to Sue the Territory of Hawaii for Injuries Suffered by Him Which Were Allegedly Caused by the Negligence of the Territory or of its Officers, Employees or Agents.

WHEREAS, on or about January 10, 1957, Willard G. Wilkinson did suffer certain injuries while a passenger in the elevator situated in the Iolani Palace; and

WHEREAS, it is alleged that his injuries were caused by the negligence of the Territory of Hawaii or of its officers, employees or agents; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Willard G. Wilkinson is hereby authorized to sue the Territory of Hawaii in an appropriate territorial court to recover damages which are allegedly due to the negligence of the Territory or of its officers, employees or agents. For the purpose of this Act and the adjudication of any such claim, the immunity of the Territory to suit is hereby waived, and said Willard G. Wilkinson may proceed against the Territory in the pending action against the Territory or in any subsequent action, as in the case of any other defendant, subject to the same procedures and defenses except for the defense of immunity from suit and except that the statute of limitations shall be deemed to run

## ACT 63

from and after the effective date of this Act or from the filing date of such pending action, whichever is earlier; provided, that nothing herein contained shall be construed as an admission of liability on the part of the Territory.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 15, 1959.) **H.B. 709.**

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## ACT 63

An Act Amending Chapter 143 of the Revised Laws of Hawaii 1955, as Amended, Relating to Urban Redevelopment Projects.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 143-7 of the Revised Laws of Hawaii 1955 is hereby amended by adding a new paragraph at the end thereof, to read as follows:

"Whenever the agency shall determine that a proposed redevelopment project or an auxiliary redevelopment project initiated pursuant to this chapter may be undertaken by the owners of project lands therein or by developers of such owners as effectively, expeditiously and economically as if undertaken as a public undertaking by the agency itself, then the redevelopment plan for such project approved and adopted pursuant to this section shall include a provision for the execution of said project by an alternative method of private development thereof on the basis of an agreement between the agency and any such owners or developers and imposing such requirements, restrictions and sanctions as the agency may deem necessary to effectuate the basic purposes of this chapter and to assure the successful completion of said project by private development."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 15, 1959.) **H.B. 1156.**

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## ACT 64

An Act to Amend Section 218-9 of the Revised Laws of Hawaii 1955, as Amended, Relating to District Court Clerks.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 218-9 of the Revised Laws of Hawaii 1955, as amended, is further amended by adding a new paragraph between the third and fourth paragraphs to read as follows:

"Authority is also conferred on the district court of South Hilo to receive any document for filing in any of the district courts in the county of Hawaii and the clerk and clerk-reporters of the district court of South Hilo are designated as clerk and clerk-reporters for all the district courts in the county of Hawaii, provided, however, that this part shall in no way affect the employment and duties of the part-time clerk for the district courts of Hamakua, North and South Kohala."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 15, 1959.) **S.B. 1193.**

## ACT 65

An Act to Amend Chapters 237 and 238 of the Revised Laws of Hawaii 1955, Relating to Garnishment and Garnishment of Government Beneficiaries, Respectively.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsections (a) and (b) of section 237-1 of the Revised Laws of Hawaii 1955 are hereby amended to read as follows:

**"Sec. 237-1. Garnishee process; 'garnishee fund'.**

(a) Before judgment. When any goods or effects of a debtor are concealed in the hands of an attorney, agent, factor or trustee (in this chapter jointly and severally included in the term 'garnishee'), so that they cannot be found to be attached or levied upon, or when any debt is due from any person (also included under the term 'garnishee') to a debtor, or when any person has in his possession for safekeeping any moneys of the debtor, any creditor may bring his action against a debtor and in his petition for process, or by subsequent ex parte motion and amendments of the complaint at any time before judgment, may request the court to insert in the process a direction to the officer serving the same to leave a true and attested copy thereof with the garnishee or at his usual place of abode and to summon the garnishee to appear personally upon the day or term appointed in the process for hearing the action or at any other time appointed by the court and then and there on oath to answer all of the following inquiries, herein inclusively referred to as the 'disclosure': (1) whether he has, or at the time the copy was served on him had, any of the goods or effects of the defendant in his hands and, if so, the nature, amount and value thereof; or (2) whether he is, or at the time of service was indebted to the defendant and, if so, the nature and amount of the debt; or (3) whether he has or at the time of service on him had, any moneys of the defendant in his possession for safekeeping and, if so, the amount thereof.

Any other provision to the contrary notwithstanding, no garnishee summons shall be issued before judgment when any debtor is in receipt of any salary, stipend, commissions, wages, annuity or net income or portion of net income under a trust (in this chapter included under the term 'wages'), from any person (also included under the term 'garnishee') until the creditor upon motion and after hearing has proved to the satisfaction of the court any of the following allegations: (1) that the defendant debtor is not a resident of the Territory and may depart from the Territory within six months from the date of the filing of the action; (2) that the defendant debtor has departed from the Territory; (3) that the defendant debtor has left the county of his residence with intent to avoid service of summons; or (4) that the defendant debtor, although a resident of the Territory, intends to depart from the Territory and remain absent therefrom for a period in excess of nine months. If the ruling of the court is in favor of the creditor on any of the allegations above enumerated, the creditor may then request

the court to issue the garnishee summons in the manner provided for in the preceding paragraph and the garnishee in his disclosure shall on oath answer the following inquiry (also included under the term 'disclosure'): whether the defendant is, or at the time of service was, in receipt from him of any wages, and, if so, the amount or rate thereof.

The summons and direction, except as to wages as provided for above, shall be signed and issued as is usual in other civil process. It shall be served according to such direction. From the time of leaving such copy, the garnishee shall secure in his hands to pay such judgment as the plaintiff shall recover in the action, the following property or choses: (1) all the goods and effects of the defendant then in the hands of the garnishee; (2) every debt then owing from the garnishee to the defendant; (3) all moneys of the defendant then in the possession of the garnishee for safekeeping; and (4) a portion of the wages of the defendant by withholding the amount to be determined as follows: five per cent of the first \$100 per month, ten per cent of the next \$100 per month and twenty per cent of all sums in excess of \$200 per month, or an equivalent portion of the above amount per week, whether then or thereafter to become owing. Such property or choses described in (1), (2), (3) and (4) of this paragraph are included under the term 'garnishee fund' (in this chapter). No part of such garnishee fund may be otherwise disposed of by the garnishee except as provided in this chapter.

Such summons and direction shall be sufficient notice to the defendant to enable the plaintiff to bring his action to trial, unless the defendant is an inhabitant of the Territory or has some time resided therein, in which case a like copy shall be served personally upon him or left at his last and usual place of abode.

(b) After judgment. Wages may be garnisheed after judgment at the rates specified in the third paragraph of subsection (a) of this section but without regard to the conditions set forth in the second paragraph of subsection (a) of this section. In any action brought by a creditor against a debtor, the creditor may, after judgment rendered in his favor, request the court to summon any garnishee to appear personally, upon a day appointed in the summons for hearing the cause as against such garnishee, and make full disclosure. Alias summons shall also be issued and served similarly as other civil process. From the time of leaving the copy of such alias summons, any and every element of any garnishee fund in the hands of such garnishee shall be there secured to pay the judgment already recovered and may not otherwise be disposed of by the garnishee."

SECTION 2. Section 237-2 of the Revised Laws of Hawaii 1955 is hereby amended as follows:

(1) By deleting the comma after the word "hands" in line eighteen and substituting therefore the following words and comma:

"or the moneys held by him for safekeeping,"

(2) By deleting the commas after the word "wages" in lines twenty-five and twenty-eight and substituting therefor the following words and comma:

"or moneys held for safekeeping,"

SECTION 3. Section 237-3 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 237-3. Amount Withheld. For the purposes of garnishment,

if it appears in any cause wherein service has been made as provided by law, whether before or after judgment, upon any garnishee from whom the defendant is in receipt of any wages, the court shall order and direct such garnishee not to withhold more than a portion of the wages of the defendant to be determined as provided for in the third paragraph of subsection (a) of Section 237-1. The garnishee shall continue such withholding from the wages of the defendant until the action against him has been finally determined and the final judgment obtained against him, if any, has been fully paid with legal interest thereon. However, no more of such wages shall be withheld from the defendant in advance of final judgment than shall be sufficient to meet the demand of the plaintiff, together with cost and legal interest."

SECTION 4. Section 237-8 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 237-8. Execution, when.** If the garnishee fails to appear upon the day and hour of hearing named in the summons or writ above mentioned, or if having appeared, he refuses to disclose upon oath whether he has goods or effects of the defendant in his hands, and their nature and value, or whether a debt is due from him to the debtor and its amount, or whether he has any moneys of the defendant in his possession for safekeeping, and the amount thereof, the case shall proceed to trial. If the plaintiff recovers a judgment, execution shall issue at his request, against the estate of such contumacious garnishee for the amount of judgment as his own proper debt, and the lawful costs; provided that if it appears that the goods and effects are of less value, the debt of less amount and the moneys in safekeeping of less amount than the judgment recovered against the debtor, judgment shall be rendered against the garnishee to the value of the goods or the amount of the debt or the amount of the moneys in safekeeping, and if it appears that the garnishee has no goods or effects of such debtor in his hands, or is not indebted to him, or has no moneys in his possession for safekeeping, then he shall recover his lawful costs. However, if he appears and on oath discloses fully whether he has in his hands the goods or effects of the defendant, or is indebted to the defendant, or has in his possession moneys of the defendant for safekeeping, and it appears to the court that he has no such goods or effects, or is not so indebted, or has no such moneys for safekeeping, then judgment shall be given for him, and he shall recover his lawful costs."

SECTION 5. Section 237-9 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 237.9. Garnishee may be heard on notice to plaintiff.** Whenever any person summoned as a garnishee may be desirous of so doing, he may apply to the magistrate or any judge of the court from which the summons may have issued, and the magistrate or judge having caused reasonable notice to be given to the plaintiff in the action, shall proceed to take the deposition of the person thus summoned, and make such order as may be proper in the premises, at any time previous to the date appointed for hearing the cause, and the person so summoned as garnishee, shall be taken to have obeyed the summons. If it appears that there are conflicting claims to any moneys held for safekeeping, debt, goods or effects in the garnishee's hands, any time after the summons is served the garnishee may be permitted upon order of the judge or magistrate to pay into court any

moneys held for safekeeping, debts, goods or effects in his hands, less any reasonable costs and attorney's fees allowed by the judge or magistrate and the garnishee will thereupon be discharged. With or without payment into court, any garnishee may, where there are conflicting claims to any moneys held for safekeeping, debt, goods or effects in his hands of any amount, make application for an interpleader order in the manner provided by section 230-11 for defendants, and the judge or magistrate shall thereupon make all orders as appear to be just and reasonable."

SECTION 6. Section 238-6 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 238-6. Garnishee process.** Any provision to the contrary notwithstanding, no garnishee summons shall be issued before judgment until the creditor upon motion and after hearing has proved to the satisfaction of the court any of the following allegations: (a) that the defendant debtor is not a resident of the Territory and may depart from the Territory within six months from the date of filing of the action; (b) that the defendant debtor has departed from the Territory; (c) that the defendant debtor has left the county of his residence with intent to avoid service of summons; or (d) that the defendant debtor, although a resident of the Territory, intends to depart from the Territory and remain absent therefrom for a period in excess of nine months. If the ruling of the court is in favor of the creditor on any of the allegations above enumerated before judgment or if the creditor has received judgment in his favor on his complaint, the creditor may then request the court issuing the garnishee summons to direct the officer serving the same to leave a true copy thereof, which shall be attested by the high sheriff, his deputy or other serving officer, with the comptroller of the Territory or of the political or municipal subdivision of the Territory, or other officer through whom the salary, stipend or wages of such debtor is sought to be attached, who shall hereinafter be called the garnishee."

SECTION 7. Section 238-11 of the Revised Laws of Hawaii 1955 is hereby amended by deleting lines twelve to eighteen and substituting in lieu thereof the following:

"five per cent of the first \$100 per month, ten per cent of the next \$100 per month and twenty per cent of all sums in excess of \$200 per month, or an equivalent portion of the above amount per week."

SECTION 8. This Act shall take effect upon its approval.

(Approved May 15, 1959.) **H.B. 19.**

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## ACT 66

An Act Relating to the Disposition of Ballots and Records of Voting Machines for the First State Election.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The secretary of the Territory is hereby authorized to immediately destroy the ballots of the general election of 1958 presently found in all voting machines in order that the voting machines shall be cleared or prepared and used for the first state election in the

manner now provided by law. He is further authorized to open and file the other election records of the voting machines in his office. In all succeeding elections, the destruction of ballots and the filing of records of voting machines shall be in the manner now provided by law.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 15, 1959.) **H.B. 1233.**

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### ACT 67

An Act Pertaining to the Government Employees' Retirement System, Amending Section 6-41 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-41 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting from subsection (b) the term "thirty years" and substituting in place of the same the term "twenty-five years".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 154.**

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### ACT 68

An Act Repealing Chapter 41, Revised Laws of Hawaii 1955, Relating to Schools for Foreign Languages.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 41 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 1394.**

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### ACT 69

An Act Relating to Provisions Specifically for Kauai and Amending Chapter 147 of the Revised Laws of Hawaii 1955 to Authorize the Board of Trustees of the Samuel Mahelona Memorial Hospital to Admit Persons Suffering from Chronic Disease to Samuel Mahelona Memorial Hospital.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 147, Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new section to read as follows:

"**Sec. 147-25.** The trustees of the Samuel Mahelona Memorial Hospital may admit as patients, indigent and medically indigent persons who are suffering from chronic disease provided that sufficient beds are

## ACT 70

at all times available to persons with tuberculosis eligible for admission to the hospital. Subject to the approval of the board of health, the trustees may promulgate rules and regulations concerning the admission of such chronic disease patients and the reimbursement for their care and treatment.

"Money appropriated to the Samuel Mahelona Memorial Hospital for the care and treatment of tuberculosis patients may be used to care for patients suffering from chronic disease who are admitted to the hospital."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 552.**

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## ACT 70

An Act Relating to Deficiencies on Resale, and Amending Section 201-17, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 201-17, Revised Laws of Hawaii 1955, is hereby amended by adding to the end thereof the following sentence:

"In any action to recover a deficiency from a buyer, the Court shall not permit recovery of any charges, interest, or expenses which it finds not to be reasonable, ordinary and necessary under the circumstances of the case."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 833.**

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## ACT 71

An Act to Amend Chapter 52 of the Revised Laws of Hawaii 1955, Relating to Uniform Narcotic Drug Act.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 52-10 of the Revised Laws of Hawaii 1955 is hereby amended by adding after the definition of "Physician" appearing therein the following new definition to read as follows:

"'Podiatrist' means a foot specialist authorized by law to practice podiatry in the territory. Podiatrist is synonymous with and shall mean chiropodist as set forth in sections 46-15 and 46-15.1 of the Revised Laws of Hawaii 1955."

SECTION 2. Section 52-18 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

a. By adding after subsection (b) thereof a new subsection to read as follows:

"(c) Podiatrists. A podiatrist, in good faith and in the course of his professional practice only, may prescribe or administer narcotic



drugs, or he may cause the same to be administered by a nurse under his direction or supervision."

b. By redesignating subsection (c) thereof to read "(d)".

c. By redesignating subsection (d) thereof to read "(e)".

SECTION 3. Chapter 52 of the Revised Laws of Hawaii 1955 is hereby amended by inserting the word "podiatrist" wherever necessary in said Chapter in view of Section 2 of this Act.

SECTION 4. Any law inconsistent, in whole or in part, with the spirit and intent of Sections 1, 2 and 3 of this Act is hereby amended to conform thereto.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 1313.**

## ACT 72

An Act to Amend Section 149-86 of the Revised Laws of Hawaii 1955, as Amended, Relating to General Powers of the Board of Supervisors of the City and County of Honolulu, by Adding a New Subsection, Relating to Traffic Regulations Over Private Streets.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-86 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new subsection thereto to read as follows:

"..... Traffic Regulations over private streets. To impose traffic regulations on any private street, highway, or thoroughfare which for more than five years has been continuously used by the general public."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 1709.**

## ACT 73

An Act to Amend Section 155-42 of the Revised Laws of Hawaii 1955, Relating to Licenses to Sell Beef or Pork by Requiring a Certificate from the Board of Health Before Such License May be Issued.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 155-42 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"**Sec. 155-42. Conditions of license to sell beef or pork; fee.** The annual fee for a license to sell beef or to sell pork shall be \$5 for each in each taxation district. No such license shall be granted to any person by the treasurer until he has first received a certificate from the board of health stating that, after an examination made, it appears that the shop, building, vehicle or other type of premises in or from which the

## ACT 74

beef or pork is to be sold are in a sanitary condition; and when issued the license shall contain, among other things, a condition that the shop, building, vehicle and premises shall be kept in a good sanitary condition and in accordance with law and with the orders of the agents of the board of health, and that the agents of the board of health may have at all times access thereto for purposes of inspection."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 524.**

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## ACT 74

An Act to Amend Section 123-3.2 of the Revised Laws of Hawaii 1955, as Amended, Relating to Disposition of Fuel Taxes.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 123-3.2 of the Revised Laws of Hawaii 1955, as amended by Act 276 of the Session Laws of Hawaii 1957, is hereby further amended in the following respects:

(a) Insert the word "county" between the words "of" and "highway" in subparagraph (a) of the fifth paragraph.

(b) Insert the word "county" between the words "of" and "main" in subparagraph (b) of the fifth paragraph.

(c) Insert the word "county" between the words "of" and "highway" in subparagraph (d) of the fifth paragraph.

(d) Insert the word "county" between the words "with" and "traffic" in subparagraph (e) of the fifth paragraph.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 1104.**

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## ACT 75

An Act Repealing Section 146-11 of the Revised Laws of Hawaii 1955, Relating to Appropriation for Construction of Roads in County of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 146-11 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 891.**

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## ACT 76

An Act Relating to the Clinic for Alcoholism, and Amending Sections 46-25.2 and 46-25.3 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 46-25.2 of the Revised Laws of Hawaii 1955

is hereby amended to read as follows:

**"Sec. 46-25.2. Employment of personnel.** The board of health may employ personnel on a part time and contract basis and persons so employed may be employed without being subject to the civil service laws of the Territory or the city and county."

SECTION 2. Section 46-25.3 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 46-25.3. Hospital expenses of indigents and medically indigents.** The director of the clinic may in his discretion defray from the funds obtained as herein provided the hospital expenses of any indigent or medically indigent victim of alcoholism requiring hospitalization for a period not to exceed seven days."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 178.**

## ACT 77

An Act Relating to the Funds for the Alcoholism Clinic in Honolulu and Amending Section 46-25.1 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 46-25.1 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

**"Sec. 46-25.1. Funds for operation of clinic.** The costs of the operation of such clinic shall be paid by the board of health from funds paid to the board by the liquor commission of the city and county of Honolulu at the end of each quarter of the fiscal year equal to twelve and one-half per cent of all funds received by the commission in payment of liquor license fees."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved May 18, 1959.) **H.B. 227.**

## ACT 78

An Act to Amend Chapter 97, Revised Laws of Hawaii 1955, as amended, Relating to Workmen's Compensation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 97 Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the paragraph entitled "Scope and time of payment" in section 97-26(a) to read as follows:

"Scope and time of payment. The compensation for the foregoing specific injuries shall be in lieu of all other compensation except the compensation provided for disfigurement and the benefits provided in sections 97-22 and 97-25; provided that payments of compensation under

## ACT 79

this section shall not commence until after the periods of temporary total disability have terminated.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 244.**

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## ACT 79

An Act Relating to Building and Loan Associations and Amending Chapter 180 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 180 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be numbered and to read as follows:

“**Section 180-49.5. Saturday closing.** No building and loan association organized under the laws of, or doing business in, this Territory shall be under obligation to permit the withdrawal on Saturday of funds, or to keep its office or offices open for the transaction of business on Saturday, or to permit access to its safe deposit vaults on Saturday; provided, that it shall remain open till 6:00 P.M. for the transaction of business for at least one night a week; and if any such office or offices thereof so elects to close on Saturday, then any act appointed by law or contract, or in any other way, to be performed on Saturday by any such office or offices thereof, whether acting in its own behalf or in any capacity whatsoever, may be performed upon the next succeeding business day. Any act to be performed on Saturday at such office or offices may be performed on the next succeeding business day if the office or offices thereof at which such act is to be performed is closed on Saturday, and no liability or loss of rights of any kind shall result from such delay.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **H.B. 577.**

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## ACT 80

An Act to Amend Section 338-2, Revised Laws of Hawaii 1955, Relating to Guardians and Wards.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 338-2, Revised Laws of Hawaii 1955, is hereby amended by amending the first sentence thereof to read as follows:

“If the minor is under the age of sixteen years, the judge may nominate and appoint his guardian, and if he is of the age of sixteen years or over, he may nominate his own guardian, who, if approved by the judge, shall be appointed accordingly.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 194.**

**ACT 81**

An Act Amending Section 6-75(j), Revised Laws of Hawaii 1955, to Increase the Percentage Investment of Retirement System Funds in Preferred Stocks.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The last sentence of subsection (j) of section 6-75, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"The total investment in qualified preferred stocks shall at no time exceed 20 per cent of the total book value of all investments of the system."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 292.**

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**ACT 82**

An Act Relating to the Compensation of Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 4-9 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto, at the end thereof, the following paragraph:

"For the purposes of this section, the period of a leave of absence without pay to pursue a course of instruction or engage in research, thereby improving his ability and increasing his fitness for public employment shall be deemed service by the employee and credited towards his increment or longevity increase upon showing to the satisfaction of the appointing authority that he has fulfilled the purpose of his leave."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 399.**

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**ACT 83**

An Act to Amend Section 146-109, Revised Laws of Hawaii 1955, Relating to the Reserve Fund of the Hawaii County Board of Water Supply.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 146-109, Revised Laws of Hawaii 1955, is hereby amended by deleting the comma after the word "years" in line five and inserting the following "from July 1, 1959," after the word "years" and before the word "shall".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 713.**

**ACT 84**

An Act Amending Section 147-6 of the Revised Laws of Hawaii 1955, Relating to Transportation of School Children in the County of Kauai.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 147-6 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 147-6. Transportation of school children.** The board of supervisors of the county of Kauai may provide suitable transportation to and from school, for children who reside and attend school in the county of Kauai."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 745.**

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**ACT 85**

An Act Amending Section 146-5 of the Revised Laws of Hawaii 1955, Relating to Transportation of School Children in the County of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 146-5 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 146-5. Transportation of school children.** The board of supervisors of the county of Hawaii may establish suitable routes for transportation, free of charge, of school children attending schools within the county whenever the board, in its discretion, deems it necessary and proper so to do."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 898.**

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**ACT 86**

An Act to Amend Section 149-181 of the Revised Laws of Hawaii 1955, as Amended, Relating to City Planning Commission.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-181 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the period after the words "acting chairman" in the last sentence and adding the following: "of the commission or such officer or employee as the commission may authorize."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 995.**

**ACT 87**

An Act Relating to Record of County Treasurer and Amending Section 160-5 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 160-5, Revised Laws of Hawaii 1955, is hereby amended by adding a new paragraph to read as follows:

"The treasurer may at his discretion discard vehicle registration records which are older than six years."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 1215.**

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**ACT 88**

An Act Amending Section 44-2, Revised Laws of Hawaii 1955, so as to Include the President of the University of Hawaii and the Superintendent of Public Instruction on University Board of Regents on Effective Date of Constitution of State of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 44-2, Revised Laws of Hawaii 1955, is hereby amended by deleting the period at the end of the first sentence appearing therein and after the word "Act" inserting the following:

"and, upon the effective date of section 5, article IX, of the Constitution of the State of Hawaii agreed upon by the delegates of the people of Hawaii on July 22, 1950, the board of regents shall be enlarged to include as ex officio voting members the president of the university and the superintendent of public instruction."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 1346.**

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**ACT 89**

An Act to Amend Chapter 94 of the Revised Laws of Hawaii 1955, as Amended Relating to the Wage and Hour Law.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 94-2 of the Revised Laws of Hawaii 1955 as amended is hereby amended by deleting the word "persons" which appears after the word "twenty" therein and inserting in lieu thereof, the word "employees".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1959.) **S.B. 1445.**

**ACT 90**

An Act Relating to Dental Hygienists and Amending Section 62-1 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 62-1 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the word "May" in the eighth line of the fourth paragraph and inserting in lieu thereof the word "January".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **S.B. 1261.**

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**ACT 91**

An Act to Amend Section 173-46, Revised Laws of Hawaii 1955, Relating to the Merger or Consolidation of Non-Profit Corporations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 173-46, Revised Laws of Hawaii 1955, is hereby amended by deleting the phrase "with the consent of the governor" appearing in the first sentence thereof.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 188.**

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**ACT 92**

An Act to Amend Section 44-5 of the Revised Laws of Hawaii 1955 Relating to the University of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 44-5 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Sec. 44-5. Suits.** The university may sue and be sued in its corporate name; however, it shall be subject to suit only in the manner provided for suits against the Territory, and any liability incurred by the university in such a suit shall be the liability of the Territory. For the purposes of this provision, members of the board of regents are 'employees of the Territory' as the term is used in chapter 245 A."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 517.**

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**ACT 93**

An Act Relating to the Territorial Hospital, and Amending Sections 81-19, 81-20, 81-21, 81-22, 81-24, 81-25, 81-36 and 81-40, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*



SECTION 1. Secs. 81-19, 81-20, 81-21, 81-22, 81-24, 81-25, 81-36 and 81-40, Revised Laws of Hawaii 1955, are hereby amended by deleting the words "institutional care" wherever the same appear in said sections, and substituting therefor the words "mental hospital treatment".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 533.**

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## ACT 94

An Act Providing for the Succession of City and County and County Officials in the Event of a Disaster, Amending Sections 144-33 and 149-86 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Sections 144-33 and 149-86 of the Revised Laws of Hawaii 1955, as amended, are hereby further amended by adding thereto another subdivision to be appropriately designated to read as follows:

"( ). Succession of officials. Unless otherwise provided by law, the board of supervisors may establish by ordinance the order of succession of county officials in the event of a military or civil disaster."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 846.**

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## ACT 95

An Act to Amend Section 179-14 (a) of the Revised Laws of Hawaii 1955 as Amended, Relating to Investments by Trust Companies.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 179-14 (a) of the Revised Laws of Hawaii 1955 as amended is further amended to read as follows:

"**Sec. 179-14. Investments.** (a) Fiduciary accounts. In acquiring, retaining, exchanging, selling, investing, reinvesting and managing property of another, including investments for account of their trusts by trust companies acting as trustees or guardians, a trust company shall exercise the judgment and care which, under the circumstances then prevailing, men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds and property considering both probable income and probable safety of capital. Within the limits of this standard, a trust company as fiduciary may acquire and retain every kind of property, real, personal or mixed and every kind of investment, specifically including, but without in anyway limiting the generality of the foregoing, bonds, debentures and other corporate obligations, and corporate stocks, preferred or common, and securities of any open-end or closed-end management type investment company or unit investment trust registered under the Federal Investment Company Act of 1940, as from time to time amended, which men

## ACT 96

of prudence, discretion and intelligence acquire or retain for their own account, and may retain property properly acquired without limitation as to time and without regard to its suitability for original purchase. Nothing herein contained shall authorize a departure from or variation of, the express terms or limitations set forth in the instrument creating the fiduciary relationship, but the terms 'legal investment' or 'authorized investment', or words of similar import, shall be construed to mean any investment conforming to the foregoing standard."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 970.**

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## ACT 96

An Act Amending Chapter 143 of the Revised Laws of Hawaii 1955, as Amended, and Relating to Redevelopment Corporations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 143-28 of the Revised Laws of Hawaii 1955 is hereby amended by deleting from the first sentence thereof the word "twenty" and inserting in lieu thereof the word "ten".

SECTION 2. Section 143-30 of the Revised Laws of Hawaii 1955 is hereby amended as follows:

(a) By deleting the word "eighty" wherever it may appear in said section and inserting in lieu thereof the word "ninety".

(b) By amending the last paragraph to read as follows:

"Interest rates on mortgage indebtedness shall not exceed such rates to be approved by the agency."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 982.**

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## ACT 97

An Act Amending Section 190A-2 of the Revised Laws of Hawaii 1955, Relating to Freedom of Choice of Insurance Companies.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 190A-2 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Section 190A-2. Written notice required.** Any corporation, copartnership, association, individual or group if individuals making a loan and requiring that the borrower carry insurance as a condition to the making of the loan, shall give such borrower written notice that he is free to procure the required insurance policy from any insurance company authorized to do business in the Territory."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 1010.**

### ACT 98

An Act to Amend Chapter 9A of the Revised Laws of Hawaii 1955, Relating to Wages and Hours of Employees on Public Works.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 9A-2, of the Revised Laws of Hawaii, 1955 is hereby amended by deleting the period after the word "site" in the last line of subsection (d), and inserting in lieu thereof a comma and the following phrase:

" , and that a copy of such rates of wages required to be posted, be given to each laborer and mechanic employed under the contract by the contractor at the time he is employed."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved May 19, 1959.) **H.B. 1022.**

### ACT 99

An Act to Amend Part III of Chapter 160 of the Revised Laws of Hawaii 1955, Relating to Motor Vehicle Safety Responsibility Security Deposit.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Part III of Chapter 160 of the Revised Laws of Hawaii 1955 is hereby amended by adding a new section to be numbered 160-91.1 which shall read as follows:

"**Sec. 160-91.1. Disposition of unclaimed security.** The chief of police of each county shall annually give notice by publication once in a newspaper of general circulation in such county, to all persons who may be entitled to claim any money deposited in compliance with the requirements of this part which has remained unclaimed for a period of not less than three years after the earliest date on which said chief of police is given reasonable evidence that there is no pending action and no judgment rendered in such action left unpaid.

All rights in any such money of any claimant who fails to appear and present his claim within sixty days from the date of publication of the notice shall be forever barred, and any such money, a valid claim to which has not been presented within such time, shall escheat to the county as a general government realization.

At any time within five years after the escheating of any such money, the persons (or their legal representatives) who would have been the lawful owners thereof if the same had not been escheated as provided hereinabove, upon making satisfactory proof of such fact and establishing to the auditor of the county of their right thereto, and that they did not have actual notice of the escheat proceedings, shall be paid the net amount thereof after proportionate deduction for costs incurred in the advertisement, as set out in the first paragraph of this section, out of the general fund of such county not otherwise appropriated, upon warrant drawn by the auditor of the county."

**ACT 100**

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 1102.**

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**ACT 100**

An Act Amending Section 159-52 of the Revised Laws of Hawaii 1955, as Amended, Relating to Liquor Licenses.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 159-52 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the word "members" in the seventh line thereof and substituting therefor the words "general partners".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 1190.**

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**ACT 101**

An Act Relating to the Territorial Agency for Surplus Property and Amending Chapter 12 of the Revised Laws of Hawaii 1955, as Amended by Act 182, Session Laws of Hawaii 1957.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 12-8 of the Revised Laws of Hawaii 1955, as amended by Act 182, Session Laws of Hawaii 1957 is hereby amended by adding the following new paragraphs:

(h) purchase from any other State or States the services of the agency or agencies responsible in such State or States for the distribution of surplus property and to sell to any other State or States the services of the Surplus Property Division, Bureau of the Budget for the purpose of assuring and promoting effective administration of this chapter and of the surplus property program; such purchase or sale of services shall be made on a fee-for-service or other equitable and reasonable basis; provided, however, that the fee or other basis of payment for services purchased or sold shall be so computed as to include therein the costs of salaries, travel, supplies and equipment and any other item properly related to the cost of such service;

(i) make such certifications, take such action, make such expenditures and enter into such contracts, agreements and undertakings for and in the name of the territory (including cooperative agreements with any Federal agencies providing for utilization by and exchange between them of the property, facilities, personnel and services of each by the other), require such reports and make such investigations as the Agency may deem necessary or proper for the administration of this chapter, or as may be required by law or regulation of the United States of America in connection with the disposal of real property and the receipt, warehousing, and distribution of personal property received by the Agency from the United States of America.

SECTION 2. Section 12-13 of the Revised Laws of Hawaii 1955, as amended by Act 182, Session Laws of Hawaii 1957 is hereby amended by changing the figure \$150,000 in the fourth line to read "\$100,000".

SECTION 3. This Act is to take effect upon its approval.

(Approved May 19, 1959.) **H.B. 1615.**

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**ACT 102**

An Act Repealing Section 47-50, Revised Laws of Hawaii 1955, Relating to Requirements for Repairs and Air Space of Dwelling Houses.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 47-50, Revised Laws of Hawaii 1955, relating to requirements for repairs and air space of dwelling houses, is hereby repealed.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 1718.**

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**ACT 103**

An Act to Amend Act 193 of the Session Laws of Hawaii 1953 Relating to the County of Kauai Bonds for Public Improvements.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Act 193 of the Session Laws of Hawaii 1953, as amended by Act 6 of the Session Laws of Hawaii 1955, is hereby further amended in the following manner:

(a) by deleting lines eleven through fifteen of section 1 and substituting therefor the words and figures to read:

"Development of the new baseball park at Kapaa, Kauai . . . \$25,000"; and

(b) by amending the quoted portion under item (2) of section 1 to read:

"The expenditure of the amount provided for the construction of the Kauai veterans memorial hospital shall be made by the board of supervisors upon plans approved by the territorial board of health and expenditure of the amount provided for the development of the new baseball park at Kapaa, Kauai, shall be made by the board of supervisors."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 1512.**

**ACT 104**

An Act to Amend Sections 172-10 and 172-17 of Chapter 172 of the Revised Laws of Hawaii 1955, Relating to Corporations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Sections 172-10 and 172-17 of chapter 172 of the Revised Laws of Hawaii 1955, are hereby amended by deleting the word "five" appearing in the first paragraph of said sections, and substituting therefor the word "three".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **S.B. 751.**

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**ACT 105**

An Act Amending Section 253-2 of the Revised Laws of Hawaii 1955, Relating to the Presumption of Innocence and Burden of Proof.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 253-2 Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 253-2. Innocence; presumption of; burden of proof.** A person accused shall be presumed innocent, and in case his guilt is not proven beyond a reasonable doubt, be acquitted."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **S.B. 887.**

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**ACT 106**

An Act to Amend Section 151-14 of the Revised Laws of Hawaii 1955, Relating to the Board of Public Parks and Recreation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 151-14 of the Revised Laws of Hawaii 1955, is hereby amended by deleting the period after the words "acting chairman" and adding the following:

"of the board or such officer or employee as the board may authorize."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **S.B. 1004.**

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**ACT 107**

An Act Relating to Criminal Procedure in the District Courts of the Territory of Hawaii and Amending Section 257-7 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 257-7 of the Revised Laws of Hawaii 1955 is hereby amended by amending the first paragraph thereof to read as follows:

**"Sec. 257-7. Commitment; form of mittimus.** In all cases of arrest for offenses that must be tried in the first instance before a jury, or that can be tried only on indictment by a grand jury, the magistrate in whose jurisdiction or on whose warrant the accused was arrested shall, upon the appearance of the accused, proceed to consider whether there is probable cause to believe that the accused is guilty of the offense with which he is charged. He shall reduce to writing the substance of the evidence adduced, with the names of the witnesses. If in his opinion the testimony does not warrant commitment for trial, he shall release the prisoner, noting that fact upon his docket. But if in his opinion there is probable cause to believe that the accused is guilty of the offense with which he is charged, he shall make out and deliver to a police officer a mittimus which may be in the following form:".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **S.B. 1243.**

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**ACT 108**

An Act Relating to the Records of the Board of Barbering, and Amending Subsection (d) of Section 58-4 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsection (d) of Section 58-4 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the last sentence of the subsection.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 570.**

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**ACT 109**

An Act Relating to the Records of the Board of Massage, and Amending Section 63-9 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 63-9 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the last sentence of the section.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 571.**

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**ACT 110**

An Act Amending Sections 218-9, as Amended, and 218-12 of the Revised Laws of Hawaii 1955, Relating to District Court Clerks and Reporters and Circuit Court Shorthand Reporters.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 218-9 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new sentence to the first paragraph thereof to read as follows:

"All duly appointed shorthand reporters of the other circuit courts in the Territory shall have power to take depositions and to administer oaths relative to the taking of such depositions."

SECTION 2. Section 218-9 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new paragraph thereto to read as follows:

"All duly appointed chief clerks, clerk-reporter supervisors and clerk-reporters of the district courts in the Territory shall have power to take depositions and to administer oaths relative to the taking of such depositions."

SECTION 3. Section 218-12 of the Revised Laws of Hawaii 1955 is hereby amended by adding a new paragraph thereto to read as follows:

"All duly appointed shorthand reporters of the first judicial circuit in the Territory shall have power to take depositions and to administer oaths relative to the taking of such depositions."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **S.B. 661.**

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ACT 111

An Act to Amend Chapter 72 of the Revised Laws of Hawaii 1955  
Relating to Undertakers, Embalmers and Funeral Directors.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 72-1 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 72-1. Licensed by board of health.** The board of health shall have power, upon payment to it of an examination fee of \$25, to examine, or cause to be examined by not less than two practicing embalmers, undertakers, or funeral directors, any person over twenty years of age, of good moral character, resident at least one year in the Territory, and with qualifications specified in one of the following categories:

(a) A minimum of five years practical experience under the supervision of a registered embalmer or undertaker in the Territory.

(b) A minimum of two years practical experience under the supervision of a registered embalmer or undertaker in the Territory and completion of a four-year high school course or equivalent educational training.

(c) Not less than one year of practical experience and graduation from a recognized school of embalming.

(d) Holder of a state license for embalming.

All examinations shall be conducted in writing and supplemented by practical demonstrations and shall be upon such subjects as the board may by regulation prescribe. Every such person who passes the examination shall be given a license as an embalmer."



SECTION 2. Section 72-3 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the figure "\$5" and substituting therefor the figure "\$10".

SECTION 3. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 691.**

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**ACT 112**

An Act to Amend Section 149-131 of the Revised Laws of Hawaii 1955, Relating to the Bureau of Purchases and Supplies, Purchasing Agent, Etc.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-131 of the Revised Laws of Hawaii 1955, is hereby amended in the following respects:

(a) Change the figures "\$2,500" in the second and third paragraphs to "\$4,000".

(b) Change the figure "\$2,000" in the fifth paragraph to "\$4,000".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **S.B. 1008.**

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**ACT 113**

An Act Amending Section 8(a) and (f) of Act 150, Session Laws of Hawaii 1957, Relating to Kona Water Development in the County of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 8 of Act 150, Session Laws of Hawaii 1957, is hereby amended in the following respects:

(a) By amending item 3-a of paragraph (a) to read as follows:

"Kona Water Development (to be expended by the Hawaii Water Authority and turned over to the Hawaii County Board of Water Supply upon completion without any cost to the county) 1,500,000"

(b) By amending line three of paragraph (f) by deleting the term "e-a," therefrom.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 19, 1959.) **H.B. 1127.**

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**ACT 114**

An Act Requiring Annual Safety Inspections of all Territorial and County Buildings and Amending Section 184-6 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 184-6 of the Revised Laws of Hawaii 1955, shall be amended by adding a new paragraph at the end thereof, to read as follows:

"The territorial fire marshal or his deputies shall make an annual inspection of all territorial and county buildings and shall make a report to the authorities responsible for the maintenance of any building when it is found that a building does not meet minimum standards of fire and safety protection."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1959.) **H.B. 786.**

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### ACT 115

An Act Providing for County Representation on the Hawaii Development Council.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 98F-5 of the Revised Laws of Hawaii 1955 (as added by section 5 of Act 150 of the Session Laws of Hawaii 1957), is hereby amended by adding after the first sentence of the second paragraph a new sentence to read as follows:

"The chairman and executive officer of the counties of Hawaii, Kauai and Maui and the mayor of the city and county of Honolulu or their designated representatives, shall also be members of the council."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **H.B. 445.**

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### ACT 116

An Act Amending Section 6 (a) of Act 273, Session Laws of Hawaii 1955, Relating to Acquisition of School Sites and Construction of Public School Buildings and Facilities in the County of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6 (a) of Act 273, Session Laws of Hawaii 1955, is hereby amended by deleting from lines eight and nine therein the term "and 1958 and 1959", and substituting in place of the same the term "1958 and 1959, 1960 and 1961, and 1962 and 1963" so that henceforth the section amended shall read as follows:

"SECTION 6. (a) The sums of two million dollars (\$2,000,000) and two million dollars (\$2,000,000) are hereby appropriated for the purpose of acquiring sites for new schools and additions to existing sites and construction of public school buildings and facilities in the county of Hawaii out of any moneys received by the treasurer of the Territory of Hawaii for, or on account of loan funds, and bonds may be issued as provided by law to the extent necessary to yield the amounts herein appropriated or so much thereof as may be found necessary for

the school years, 1956 and 1957, 1958 and 1959, 1960 and 1961, and 1962 and 1963, respectively.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **H.B. 1128.**

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#### ACT 117

An Act Amending Section 14-6 of the Revised Laws of Hawaii 1955, as Amended, Relating to the Kamehameha Day Celebration.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 14-6 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following manner:

(a) By deleting from the fourth line thereof the word “twenty-one” and substituting the word “twenty-two”.

(b) By adding a new subsection following subsection (m), the new subsection to read as follows:

“(n) From the Hui Holo Pa-u Me Na Hoa Hololio, one.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **H.B. 1196.**

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#### ACT 118

An Act Amending Section 9-41 of the Revised Laws of Hawaii 1955, Relating to Public Works and Contracts.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 9-41 of the Revised Laws of Hawaii 1955 is hereby amended by inserting between the first and second sentences thereof the following sentence:

“All advertisements for bids shall give notice of the preference provided by this section and all contracts and specifications shall contain the statement that the bidder shall designate whether the products are produced or manufactured in the Territory if he desires to claim the preference allowed by this section.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **H.B. 1250.**

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#### ACT 119

An Act to Amend Section 132-12 of the Revised Laws of Hawaii 1955, Relating to Short-Term Investment of Territorial Moneys.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 132-12 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Section 132-12. Short-term investment of territorial moneys.** The treasurer may invest any moneys of the Territory which in the treasurer's judgment are in excess of the amounts necessary for meeting the immediate requirements of the Territory and where in his judgment such action will not impede or hamper the necessary financial operations of the Territory, in any bonds or interest-bearing notes or obligations of the Territory (including territorial treasurer's warrant notes issued pursuant to the provisions of chapter 34), or of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, or in federal land bank bonds or joint stock farm loan bonds, or in bank savings accounts, or in time certificates of deposit, or in certificates of deposit, open account; provided, such investments are due to mature not more than five years from the date of investment. Income derived therefrom shall be a realization of the general fund."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **H.B. 1642.**

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## ACT 120

An Act Relating to the Licensing of Dogs, Granting to Counties the Power to Fix Fees and Penalties with Respect Thereto and Amending Chapter 156 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 156-3 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 156-3. License fee controlled by ordinance.** Each board of supervisors shall have the power to fix the annual license fee for dogs. Until and unless otherwise provided by ordinance the annual license fee for each dog shall be \$1. Any person owning or having the custody or control of any dog shall pay the license fee to the treasurer of the county in which the dog is owned, kept or controlled. The license fee shall be due and payable on January 2 of each year and shall be paid before March 11 of each year, or within thirty days after the exemption ceases in the case of dogs becoming subject to the provisions of this chapter. If such fee is not paid before March 11 of each year, or on any subsequent day when due, a penalty of ten per cent thereof shall be added to and become a part of the fee.

The full amount of such fee shall be paid for any fraction of any year for which a license is issued.

All moneys received by the treasurer under the provisions of this chapter shall be paid into the general fund of such county."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 894.**

**ACT 121**

An Act to Amend Section 149-130 of the Revised Laws of Hawaii 1955,  
Relating to Fund Balances and Reserves.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-130 of the Revised Laws of Hawaii 1955 is hereby amended by replacing the semicolon with a period after the word "year" in line 8, and replacing the remainder of the section with a new paragraph to read as follows:

"The controller shall transfer all surplus and unencumbered balances of any appropriations of the general fund, but not in excess of \$50,000 for any fiscal year, to the general emergency reserve fund until such time as the cash balance in such reserve fund shall amount to ten per cent of the annual general fund appropriations of the preceding year. Any other law to the contrary notwithstanding, appropriation from such reserve fund shall be made, by resolution adopted on one reading and without publication, only upon recommendation of the mayor and the approval of five members of the board of supervisors. The controller may authorize loans from the general emergency reserve fund to other funds temporarily requiring cash."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 1391.**

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**ACT 122**

An Act to Provide for Equal Pay for Equal Work Regardless of Sex,  
Religion or Race.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The purpose of this Act is to provide for equal pay for work performed for an employer, without regard to the sex, religion or race of the worker.

SECTION 2. Chapter 94 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new section to read as follows:

"**Sec. 94-4.5. Wage discrimination prohibited.** No employer shall discriminate in any way in the payment of wages as between persons of different races or religions or as between the sexes or pay any female in his employ at wage rates less than the rates paid to the lowest paid male employee in the same establishment for the same quantity and quality of the same classification of work; provided, that nothing herein shall prohibit a variation of rates of pay for male and female employees engaged in the same classification of work based upon a difference in seniority, length of service, substantial difference in duties or services performed, difference in the shift or time of day worked, or hours of work."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 15.**

**ACT 123**

An Act Relating to the Initial State Elections and the Submission of the Propositions Provided for by the Act of Congress to the People of the Territory of Hawaii Prior to Admission of Hawaii as a State of the Union; and Making an Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. There is hereby appropriated out of the general revenues of the Territory the sum of \$200,000 to be expended as herein provided.

SECTION 2. The amount appropriated or as much thereof as may be necessary shall be expended for the purposes of the initial state elections and the submission of the propositions provided for by Act of Congress to the people of the Territory of Hawaii prior to admission of Hawaii as a State of the Union. Such expenditures shall include reimbursement of the several counties for expenses, incurred by them and approved by the Secretary of Hawaii as necessary, for printing and temporary employees in connection with the elections (including registration of voters).

The moneys appropriated herein shall be disbursed upon vouchers approved by the Secretary of Hawaii.

SECTION 3. The Governor of the Territory of Hawaii is hereby authorized to perform all acts necessary or appropriate to insure the submission of the propositions provided for by Act of Congress to be submitted to the people of the Territory of Hawaii prior to admission of Hawaii as a State of the Union.

SECTION 4. All laws or parts of laws inconsistent with this Act are hereby amended to conform to this Act.

Nothing in this Act shall be deemed to signify that the registration of voters for the initial state elections, when accomplished under Sections 1 and 2 of this Act, is for such elections only as distinguished from elections subsequent to the admission of the State.

SECTION 5. If any provision of this Act, or any section, subsection, sentence, clause, phrase, or individual word, or the application thereof in any circumstance is held invalid, the validity of the remainder of the Act and of the application of any such provision, section, subsection, sentence, clause, phrase, or individual word in other circumstances shall not be affected thereby.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 813.**

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**ACT 124**

An Act Relating to Business Development Corporations in the Territory and Amending Section 1(3) of Act 288 Session Laws of Hawaii 1957.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 1(3) of Act 288 Session Laws of Hawaii 1957 is hereby amended to read as follows:

“(3) ‘Member’: Any financial institution authorized to do business within the Territory which shall undertake to lend money to a corporation created under this Act, upon its call, and in accordance with the provisions of this Act, including the Small Business Administration.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 1132.**

### ACT 125

An Act to Provide that the Judicial Circuits of the Territory of Hawaii Shall be Deemed to be the “Districts” Referred to in Article I, Section 11 of the Constitution of the State of Hawaii, Relating to Trial by Jury in Criminal Prosecutions.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The purpose of this Act is to obviate any ambiguity which may arise relative to the use of the term “district” in the Constitution of the State of Hawaii as it applies to the right to trial by jury in criminal prosecutions.

SECTION 2. The judicial circuits of the Territory of Hawaii established by section 215-1 of the Revised Laws of Hawaii 1955 are deemed to be the “districts” referred to in Article I, Section 11, of the Constitution of the State of Hawaii with respect to the right to a trial by jury in criminal prosecutions, until such time as the legislature of the State of Hawaii shall otherwise provide.

SECTION 3. This Act shall take effect upon the admission of Hawaii as a State within the United States of America.

(Approved May 21, 1959.) **S.B. 1138.**

### ACT 126

An Act Authorizing Suit Against the Territory by William H. Crozier, Jr. for Claimed Losses Arising Out of a Contract for the Building of a Section of the Hana Belt Road.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. William H. Crozier, Jr. is hereby authorized to file suit against the Territory of Hawaii on his claim for losses sustained, arising out of the contract of Char & Crozier for the building of a section of the Hana Belt Road.

SECTION 2. For the purpose of this Act and the adjudication of any such claim, the immunity of the Territory to suit is hereby waived and said William H. Crozier, Jr. may proceed against the Territory as in the case of any other defendant, subject to the same procedures and defenses except for the defense of immunity from suit or of the statute

of limitations the provisions of which are hereby expressly waived; provided that nothing contained herein shall be construed as an admission of liability on the part of the Territory.

SECTION 3. The claimant William H. Crozier, Jr. shall commence the action authorized by this Act in the circuit court of the Territory of Hawaii within two years from the effective date of this Act.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 1326.**

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## ACT 127

An Act Establishing a Joint Legislative Committee, Providing for Studies by the Committee and Other Agencies on the Problems of Governmental Organization, Transition from Territorial Status to Statehood and Related Problems, Requiring Reports Thereon, and Making Appropriations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1. Legislative purpose.** The constitution of the State of Hawaii requires that the legislature shall allocate and group all executive and administrative offices, departments and instrumentalities of the state government and their respective functions, powers and duties among and within not more than twenty principal departments in such a manner as to group the same according to major purposes as far as practicable. The constitution also requires basic changes in the functions and organizational structure of the department of public lands, a statutory prescription of the duties of the lieutenant governor, and either requires or makes advisable changes in the structure and functions of other existing governmental agencies and instrumentalities.

In addition, the transition of Hawaii from a Territory to a State has made it necessary to have prepared and compiled all laws and enactments affected by the transition which must be considered for possible revision.

It is the purpose of this Act to provide a means for determining and preparing the plans, studies and legislation necessary to assist the First State Legislature in coping with the problems related to government organization and transition from territorial status to statehood.

**SECTION 2. Creation of joint legislative committee.** There is hereby created a joint legislative committee on government reorganization, to be comprised of eight representatives, at least one from each of the several counties, and eight senators, at least one from each of the several counties, of the Thirtieth Legislature. The presiding officers of the respective Houses shall be members of the committee and shall serve as co-chairmen of the committee and shall appoint the other members of the committee. At least two members appointed from each House shall be from the minority political party.

The presiding officer of each house of the legislature shall also designate a first and second alternate to each member of the committee



from his respective House and the alternates shall be from the same county as the original member appointed.

No person shall continue to serve as a member of the committee if he is not elected to the first state Legislature; however, he may continue to serve if elected to a House other than the one in which he was a member in the Thirtieth Legislature, even if the effect of this provision is to change the balance of membership on the committee between the Senate and the House of Representatives.

Any vacancy in the committee, however caused, shall be filled by the succession to the position by the first alternate, or if that legislator is not qualified or refuses to serve, by the second alternate of the same House from which the member causing the vacancy was appointed.

The committee shall continue in existence up to such time as the State of Hawaii shall be deemed admitted into the Union as provided in section 1, Public Law 86-3, but may meet after that time for the purpose of preparing and approving the report to the state legislature required by Section 3 of this Act.

**SECTION 3. Duties and powers of committee.** The duties and powers of the committee shall be as follows:

(a) Review proposed legislation, organizational studies and other materials and ideas relating to the reorganization of the government of Hawaii in accordance with the provisions of the state constitution; to amplify such materials through study and analysis of the organization and operations of the various offices, departments, boards and other agencies of the territorial government.

(b) Hold such hearings as it may deem necessary anywhere within the Territory.

(c) Exercise the powers granted to a legislative holdover committee by chapter 2, Revised Laws of Hawaii 1955 and officers and employees of the Territory shall have the same duty prescribed by section 2-12, Revised Laws of Hawaii 1955.

(d) Appoint staff members without regard to the provisions of chapters 3 and 4, Revised Laws of Hawaii 1955 and contract for legal and consultative services with such qualified persons as it may require. The joint committee may also utilize the services of the Legislative Reference Bureau and for that purpose transfer such funds to the Bureau as may be necessary to carry out the duties under this section.

(e) With the concurrence of a majority of its members, the committee shall submit its report in writing to the First Legislature of the State of Hawaii, no later than the tenth legislative day, as to its activities, findings, and recommendations together with drafts of legislative measures in accordance with its recommendations.

**SECTION 4. Appropriations.** There is hereby appropriated out of the general revenues of the Territory the sum of \$30,000 or so much thereof as may be necessary to be expended for the purposes designated in section 3 of this Act, on warrants drawn by the comptroller of the Territory upon vouchers approved by one of the chairmen of the committee or, in his absence, by such other member or members as the committee may direct. Any unencumbered balance of the money appropriated for the expenses of the Thirtieth Legislature shall be available for expenditure by the committee for purposes of this Act.

SECTION 5. In order to facilitate the transition of Hawaii from a Territory to a State, the attorney general of Hawaii is hereby directed to:

(A) Compile, transcribe, and index the debates, committee reports, minutes, proposals, and resolutions of the constitutional convention of 1950.

(B) Compile and analyze:

1. All territorial laws that will be modified, changed and repealed by Public Law 86-3 or by the constitution. The term "territorial laws" includes (in addition to all laws enacted by the Legislature of the Territory of Hawaii) all laws or parts thereof enacted by the Congress the validity of which is dependent solely upon the authority of the Congress to provide for the government of Hawaii prior to its admission into the Union.

2. All territorial laws enacted by the Congress for Hawaii affected by the proviso contained in section 15, Public Law 86-3 relating to the automatic termination date of two years after the date of admission of the State of Hawaii into the Union.

3. All laws of the United States inapplicable to the Territory but which will be applicable to the State of Hawaii.

4. All territorial laws relating to public lands.

5. All franchises of public utilities affected by the proviso of section 15, Public Law 86-3.

(C) Prepare and submit to the First Legislature of the State of Hawaii, no later than the tenth legislative day, not less than six copies of the debates, committee reports, minutes, proposals and resolutions of the constitutional convention and appropriate drafts of legislative measures to properly effectuate the necessary changes resulting from the transition of Hawaii from a Territory to a State.

SECTION 6. **Employment of staff members and attorneys.** To carry out the duties designated in section 5, the committee, after consultation with the attorney general of Hawaii, may appoint staff members without regard to the provisions of chapters 3 and 4, Revised Laws of Hawaii 1955 as amended, and contract for legal services to serve under the supervision of the committee or the attorney general as may be determined by said committee and for a period not to exceed seven months. Such staff members and attorneys shall carry on their duties at such place or places as designated by the committee or the attorney general as may be determined by said committee.

SECTION 7. There is hereby appropriated out of the general revenues of the Territory the sum of \$86,672 or so much thereof as may be necessary to be expended for the purposes designated in section 5 of this Act on warrants drawn by the comptroller of Hawaii upon vouchers approved by the attorney general of Hawaii. The sum of money herein appropriated shall be expended as follows:

- (a) Transcribing of records of constitutional convention....\$18,500
- (b) Personal services, attorneys,  
stenographers and other clerks..... 61,320
- (c) Supplies and equipment..... 6,852

(Such funds may be transferred from one category to another by the joint committee).

**SECTION 8. Allowance for personal expenses of members.** Members of the committee as provided in Section 2 shall receive no compensation, but for each day in attendance at committee meetings shall receive the per diem allowances received by legislators for attendance at the legislature under section 2-20 of the Revised Laws of Hawaii 1955, as amended, plus reimbursement for their necessary travel expenses in attending committee meetings; provided, that if meetings are held away from Oahu, residents of Oahu shall receive the per diem payment normally allowed to legislators from neighboring islands, and the legislators on the neighbor island where the meeting will be held shall receive the per diem payment normally allowed to Oahu legislators.

**SECTION 9.** The sums of money herein appropriated may be expended during the current biennium 1957-1959 as well as in the following biennium 1959-1961.

**SECTION 10.** The provisions of this Act shall be liberally construed to effectuate the purposes of this Act. The invalidity of any provision or section shall not affect the validity of any other provision or section.

**SECTION 11.** This Act shall take effect upon its approval.

(Approved May 21, 1959.) **H.B. 1011.**

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## ACT 128

An Act Relating to a Variable Annuity Plan for the Employees' Retirement System of the Territory.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** The board of trustees of the employees' retirement system of the Territory shall study the feasibility of adopting a variable annuity plan, with options, and shall submit a report thereon to the First Regular Session of the State Legislature of Hawaii with a draft of such legislation as may be necessary to put such a plan into effect.

There is hereby appropriated from the general revenues of the Territory, not otherwise appropriated, the sum of \$10,000 for the purpose of paying the administrative and research expenses which will be necessary to carry out the purpose of this Act.

**SECTION 2.** This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 414.**

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## ACT 129

An Act Relating to the Blind and Visually Handicapped Persons and Amending Section 109-11, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Section 109-11 of the Revised Laws of Hawaii 1955 is hereby amended by amending the first paragraph thereof to read as follows:

"The bureau shall take measures in cooperation with the department of public instruction and other public and private authorities as it may deem advisable for the education of children in the conservation of eyesight and the prevention of blindness, and may recommend for sight saving classes, or for the territorial school for the blind, children certified by any reputable oculist or optometrist, as fit subjects for instruction therein. All such certifications shall be reviewed by a medical doctor designated by the bureau."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 859.**

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**ACT 130**

An Act Relating to Estates of Decedents and Amending Chapter 317  
Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 317-29 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the second and third sentences of the second paragraph thereof and substituting therefor the following: "The judge may also require that such notice be published at least twice in a newspaper in the circuit where the property is located, the last publication to be at least fifteen days prior to considering such confirmation. If a written offer in an amount at least ten per cent more on the first \$10,000 of the selling price and five per cent more on the amount of the selling price in excess of \$10,000 is made to the judge by a responsible person, who may be the original offerer, prior to the hearing of confirmation, the judge, upon the hearing of confirmation, shall permit the original offerer to make a further offer, and if such new offer shall be in an amount at least five per cent more than the highest written offer made to the judge, then the judge shall, in such manner as he shall determine, permit the original offerer and the person making such highest written offer to make additional higher offers and shall confirm the sale to the one of such persons making the highest offer finally received; but if the original offerer shall not make a further offer as herein provided, then the judge may accept such highest written offer and confirm the sale to the person making such offer."

SECTION 2. Section 317-29 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new paragraph thereto to read as follows:

"Upon the confirmation of any sale, the judge shall fix the compensation for the services to the estate of the agent securing the original offerer. In case of a sale on an increased bid made at the time of confirmation to a purchaser other than the original offerer, the court shall also fix the compensation payable by the estate to the agent, if any, producing the successful bidder, but the total compensation payable by the estate in such case shall not exceed the amount of the commission payable on the amount for which the sale is confirmed."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 914.**

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**ACT 131**

An Act to Amend Section 178-67, Revised Laws of Hawaii 1955, Relating to Investment by Banks in the Capital Stock of Corporations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 178-67, Revised Laws of Hawaii 1955, is hereby amended by changing the period at the end thereof to a semicolon and adding thereto an additional subsection to be designated as subsection (g), and to read as follows:

"(g) In the capital stock of the federal national mortgage association or of any other corporation organized under the laws of the United States for substantially the same purposes; provided, that this subsection shall be deemed to authorize subscription for as well as purchase of such stock."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 1314.**

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**ACT 132**

An Act Relating to the Aeronautics Commission and Amending Section 15-3 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 15-3 of the Revised Laws of Hawaii 1955 is hereby amended by amending the first sentence of said section to read as follows:

"There shall be a 'Hawaii aeronautics commission' to consist of ten members, of whom six shall be residents of the city and county of Honolulu, one shall be a resident of the county of Hawaii, one shall be a resident of the county of Maui and one shall be a resident of the county of Kauai, all of whom shall be appointed by the governor, by and with the advice and consent of the senate as provided in Section 80 of the Organic Act, and who shall continue in office as designated by the governor at the time of appointment, for terms expiring as follows: three on the last day of the calendar years 1949, 1951 and 1953, respectively, and the superintendent of public works, who shall be an ex officio voting member of the commission."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 913.**

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**ACT 133**

An Act Relating to Service Awards for Government Employees, and Amending Chapter 3, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 3, Revised Laws of Hawaii 1955 is hereby amended by amending section 3-8 to read as follows:

**"Sec. 3-8. Service awards.** The head of each department of the territorial or county governments, or where appropriate the chief executive of such respective governments, may present to any public officer or employee who has completed 25 years or more of government service, or in conjunction with such service in other departments of the federal, territorial or county governments, a certificate, plaque or other suitable memento and the cost of the same shall be a proper charge against the appropriation of the department in which the employee serves; provided that the cost of any such certificate, plaque, or memento shall not exceed the sum of \$25. Such presentation may likewise be made to an officer or employee upon retirement who has completed 10 years of such government service."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 1388.**

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#### ACT 134

An Act to Amend Section 180-57 of the Revised Laws of Hawaii 1955, Relating to Loans of Surplus Funds of Building and Loan Associations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 180-57 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto another paragraph to read as follows:

"A leasehold interest in real property and the improvements thereon shall be considered real estate for the purposes of this section if, at the time of the making of such investment, the expiration date of the lease is at least two years beyond the maturity date of the note or bond secured by lien thereon."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 530.**

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#### ACT 135

An Act Relating to the Acquisition of Property by the Territory of Hawaii and All Departments, Agencies, Boards, Commissions and Officers, and Amending Chapter 7, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 7, Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new section, to be numbered and to read as follows:

"Sec. 7-43. No real property or any right, title or interest therein shall be acquired by agreement, purchase, gift, devise, eminent domain

or otherwise, for any purpose, by the Territory of Hawaii or any department, agency, board, commission or officer thereof, without the prior approval of the attorney general as to form, exceptions and reservations."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 707.**

### ACT 136

An Act Relating to Per Diem Allowance for George K. Watase.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The legislature finds that George K. Watase served as acting chairman of the board of supervisors of the County of Kauai continuously for the period June 1, 1955 through April 8, 1956, and received therefor salary as provided by law for members of the board of supervisors of said county but did not receive any additional allowance for any day during which he served as said acting chairman. The legislature also finds that it has been the practice of other counties to make an additional per diem allowance for members of boards of supervisors while temporarily acting as the chairman of the board and as chief executive officer of the county, and that practice is an appropriate means of recognizing the added responsibilities of that office.

SECTION 2. The board of supervisors of the County of Kauai is hereby authorized to pay to George K. Watase a per diem allowance, not to exceed \$25 per day and not to exceed in total amount the sum of \$6,327.57, for each day or major portion thereof that said George K. Watase served as acting chairman and chief executive officer of the County of Kauai during the period from June 1, 1955 through April 8, 1956.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 763.**

### ACT 137

An Act to Amend Chapter 199 Revised Laws of Hawaii 1955, Relating to Uniform Sale of Securities Act.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 199-4 Revised Laws of Hawaii 1955, is hereby amended by amending the first clause thereof to read as follows:

**"Sec. 199-4. Exempt securities.** The following securities are exempted from sections 199-6 and 199-20(a) (7):"

SECTION 2. Section 199-4 Revised Laws of Hawaii 1955, is hereby amended by amending subsection (e) thereof to read as follows:

**"(e)** Any security issued by and representing an interest in or a debt of, or guaranteed by, any insurance company organized under the laws

of any State or Territory and authorized to do business in the Territory; but this exemption does not apply to an annuity contract, investment contract, or similar security under which the promised payments are not fixed in dollars but are substantially dependent upon the investment results of a segregated fund or account invested in securities;"

SECTION 3. Section 199-5 Revised Laws of Hawaii 1955, is hereby amended by amending the first clause thereof to read as follows:

"Sec. 199-5. **Exempt transactions.** The following transactions are exempted from sections 199-6 and 199-20 (a) (7)."

SECTION 4. Section 199-8 Revised Laws of Hawaii 1955, is hereby amended by amending the first clause of paragraph (b) (1) thereof to read as follows:

"(1) An application for registration which, in the case of an offering or distribution by or in whole or in part for the account of an issuer, shall include the information specified in paragraph (i) through (v) of this paragraph (1), and in the case of a non-issuer offering or distribution shall contain such of the information specified in said paragraphs (i) through (v) of this paragraph (1) as the commissioner may prescribe, together, in every case, with such other information as the commissioner may prescribe."

SECTION 5. Section 199-8 Revised Laws of Hawaii 1955, is hereby amended by amending the first clause of paragraph (b) (2) thereof to read as follows:

"(2) In the case of an offering or distribution by or in whole or in part for the account of an issuer, a copy of each of the following, and in the case of a non-issuer offering or distribution, copies of such of the following as the commissioner may prescribe."

SECTION 6. Section 199-8 Revised Laws of Hawaii 1955, is hereby amended by amending the first clause of paragraph (b) (3) thereof to read as follows:

"(3) A prospectus which shall have set forth on the outside front cover page, in capital letters in type as large as that used generally in the body of the prospectus, the statement that 'NEITHER THIS PROSPECTUS NOR THE SECURITIES DESCRIBED HEREIN HAVE BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF SECURITIES OF THE TERRITORY OF HAWAII, NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS,' and in the case of an offering or distribution by or in whole or in part for the account of an issuer shall include the information specified in paragraphs (i) through (xvi) of this paragraph (3), or in the case of a non-issuer offering or distribution shall contain such of the information specified in said paragraphs (i) through (xvi) of this paragraph (3) as the commissioner may prescribe, together, in every case, with such other information as the commissioner may prescribe."

SECTION 7. Section 199-8.5 Revised Laws of Hawaii 1955, is hereby amended by amending the last sentence of paragraph (c) thereof to read as follows:

"Every person filing such an amendment shall pay a filing fee of \$20."



SECTION 8. Section 199-8.5 Revised Laws of Hawaii 1955, is hereby amended by amending paragraph (d) thereof to read as follows:

"(d) Unless suspended or revoked by the commissioner pursuant to section 199-10, a registration statement effective under this section shall be effective for a period of one year and may be renewed for additional periods of one year by filing prior to expiration of registration a copy of another or further prospectus as filed under the Securities Act of 1933, together with the payment of a renewal fee of \$20."

SECTION 9. Section 199-11 Revised Laws of Hawaii 1955, is hereby amended by amending paragraph (i) thereof to read as follows:

"(i) Issuers as dealers. Any issuer of a security required to be registered under the provisions of this chapter selling such securities (other than in exempt transactions as defined in section 199-5), and any issuer of an exempt security as defined in section 199-4 offering such securities (other than (i) in exempt transactions as defined in section 119-5, or (ii) through a dealer registered pursuant to this chapter) shall file with the commissioner a bond or deposit securities or cash as required for dealers, subject to the same conditions as herein prescribed in the case of dealers, and may appoint salesmen in the manner herein prescribed in the case of dealers."

SECTION 10. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 775.**

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### ACT 138

An Act Relating to the Duties of the Registrar General, and Amending Section 57-6 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 57-6 of the Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new paragraph to be lettered "(c)" and to read as follows:

"(c) He shall within ten days after the end of each month deliver, or forward by mail, to the county clerk of each county a list of the names of all citizens of voting age or over whose deaths have been recorded in the bureau of public health statistics during each month. Such list shall set forth such portion of the information contained in the death record of each citizen whose death is so reported as will be of assistance to the county clerk in his identification."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 21, 1959.) **S.B. 1058.**

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### ACT 139

An Act Making Supplementary Appropriations Out of the General Revenues to Cover Certain Deficiencies in Territorial Departments for the Biennial Period Ending June 30, 1959.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. That the following sums or so much thereof as may be necessary, are hereby appropriated for purposes hereinafter specified, in addition to any appropriations made for the same or similar purposes by another Act, out of moneys in the treasury received from general revenues:

AGRICULTURE AND FORESTRY.....		\$ 17,000
Division of Animal Industry		
G. Rights and Obligations.....	\$ 17,000	
ATTORNEY GENERAL .....		15,701
A. Personal Services .....	5,422	
B. Other Current Expenses.....	6,147	
C. Equipment .....	4,132	
CIVIL SERVICE DEPARTMENT.....		8,480
A. Personal Services .....	8,480	
DEPARTMENT OF THE COMPTROLLER....		8,717
Comptroller's Office		
B. Other Current Expenses.....	4,634	
Electric Accounting Machine Division		
A. Personal Services .....	1,051	
B. Other Current Expenses.....	3,032	
EMPLOYEES' RETIREMENT SYSTEM.....		300,784
B. Other Current Expenses.....	7,918	
F. Fixed Charges .....	292,866	
INSTITUTIONS, QUASI-PUBLIC		
Kula Sanatorium .....		125,072
Tuberculosis Division		
F. Fixed Charges .....	111,181	
General Hospital		
F. Fixed Charges .....	13,891	
Samuel Mahelona Memorial Hospital.....		33,100
F. Fixed Charges .....	33,100	
Puumaile & Hilo Memorial Hospital		
General Hospital .....		630
F. Fixed Charges .....	630	
JUDICIARY DEPARTMENT		
Land Court .....		4,521
A. Personal Services .....	3,688	
B. Other Current Expenses.....	833	
First Circuit Court.....		\$ 6,685
Juvenile Court		
A. Personal Services.....	3,185	
B. Other Current Expenses.....	3,500	
Second Circuit Court.....		8,580
A. Personal Services .....	2,475	
B. Other Current Expenses.....	6,105	

KAMEHAMEHA DAY CELEBRATION		
COMMISSION .....		13,625
June 1959 Celebration on Oahu		
B. Other Current Expenses.....	7,500	
June 1959 Celebration on All other Islands		
B. Other Current Expenses.....	6,125	
PUBLIC WORKS DEPARTMENT.....		\$ 79,476
B. Other Current Expenses.....	79,476	
TAX COMMISSIONER .....		17,168
Real Property Tax		
A. Personal Services .....	10,528	
B. Other Current Expenses.....	2,200	
C. Equipment .....	4,440	
TREASURY DEPARTMENT .....		20,890
Public Debt Service		
B. Other Current Expenses.....	20,890	
Grand Total .....		\$660,429

SECTION 2. All unexpended and unencumbered balances of the appropriations made by this Act as of the close of business on June 30, 1959, shall be lapsed into the general fund of the Territory.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **H.B. 1229.**

## ACT 140

An Act Relating to the Examination of a Blind Person Who has Applied for Public Assistance and Amending Section 108-37 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 108-37 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 108-37. Examination of blind.** The department shall not approve an application for public assistance to a blind person until the applicant has been examined by an ophthalmologist, optometrist, or a qualified physician designated by it to make such examinations. The examining person shall certify to the department the diagnosis, prognosis, and visual acuity of the applicant. Certification shall be in forms prescribed by the department. In administering this section, the department shall cooperate as far as possible with the bureau of sight conservation and work with the blind."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 860.**

**ACT 141**

An Act Relating to the Sale of Lands Used for School Purposes, Including Buildings Thereon, and Appropriating the Proceeds from Such Sales.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 40-29 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 40-29. Proceeds to be used for acquisition of land or new buildings.** All net proceeds derived from sales made in accordance with sections 40-27 and 40-28 are hereby appropriated to the county wherein such sales occur for the acquisition of land or for the erection of buildings for school purposes to the extent of an approved building plan in the school district wherein such sales occur, and in the absence of any school building program in such district or in the event of any surplus remaining after the completion of buildings constructed pursuant to such approved plan then the proceeds or surplus shall be used in other school districts in the county wherein such sales occur."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 1409.**

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**ACT 142**

An Act Relating to Vacations of Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The first paragraph of section 5-30 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

**"Sec. 5-30. Vacations of public officers and employees; exceptions.** With the exception of school teachers, principals and cafeteria managers employed in the public schools of the Territory; the instructional staff of the University of Hawaii; members of the fire department of the Territory and several counties; and provisional employees and contractual employees (meaning persons employed on a contractual basis pursuant to paragraph (b) and (n) of section 3-20, paragraph (g) and (i) of section 3-51 and paragraph (g) and (i) of section 3-61, of the Territory and the several counties, all officers and employees of the Territory or of the several counties and all full time elected and appointive officers and employees of the Territory and the several counties shall be entitled to and granted a vacation with pay each calendar year calculated at the rate of one and three-quarters working days for each month of service."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 74.**

**ACT 143**

An Act Relating to Vacations of Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 5-30 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the second paragraph thereof to read as follows:

"An annual vacation, or any part thereof unused, shall be automatically accumulated for succeeding years, except that the total recorded accumulation shall be in no event more than ninety working days; provided, that not more than fifteen days a year may be accumulated unless prior approval is secured by the employee from his department head for the accumulation of the full amount, said accumulation to be granted only for good cause shown; and, provided further, that no employee shall be granted or permitted to take a vacation in any calendar year in excess of ninety working days, but whenever the employee's accumulated vacation credit exceeds ninety working days he shall be paid salary in lieu of vacation to the extent of such excess if, upon investigation by the comptroller of the Territory or the county auditor, as the case may be, it is found that the excess vacation credit resulted from the employee's inability to be allowed vacation time off because of orders of his appointing authority, otherwise the employee shall automatically forfeit such excess."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved May 25, 1959.) **S.B. 128.**

**ACT 144**

An Act Amending Section 6-75, Revised Laws of Hawaii 1955, to Permit Investments of Employees' Retirement System Funds in Leaseholds.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-75, Revised Laws of Hawaii 1955, is hereby amended by the addition of a new subsection to read as follows to permit investment of Employees' Retirement Funds in leaseholds:

"(o) Mortgages of leasehold interests in improved real property. Such leasehold interests in improved real property as may be conveyed to it by way of mortgage; provided, that such leasehold interest shall continue for a period of not less than two years after the maturity of the mortgage debt and that such mortgage constitutes a first lien upon the leasehold interest and improvements and does not secure an amount greater than seventy per cent of the value of the improvements; and provided further, that such mortgage shall provide specifically for full protection to the system with respect to the usual insurance risks, taxes, assessments, other governmental levies, maintenance and repairs. All leasehold interests acquired as a result of the foreclosure of a mortgage by it shall be sold and disposed of within one year after acquiring the same. The governor, for good cause shown, may extend this time for periods not exceeding one year."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 300.**

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**ACT 145**

An Act Relating to the Audit Department and Amending Sections 34-10, 34-51, and 34-52 of the Revised Laws of Hawaii 1955, as Amended, by Act 152 of the Session Laws of Hawaii 1957.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 34-10 Revised Laws of Hawaii 1955, as amended, by Act 152 Session Laws of Hawaii 1957, is hereby further amended to read as follows:

**"Sec. 34-10. Approval of business and accounting forms.** The comptroller shall determine the forms required to adequately supply accounting and statistical data for the territorial government. The comptroller shall require heads of departments and establishments of the territorial government to submit proposed new forms or proposed changes in current business and accounting forms for review and approval before ordering the same printed. All standard territorial forms shall be classified, numbered and standardized in design, dimensions, color and grade of paper and recorded in a catalogue of accounting and statistical forms by the comptroller."

SECTION 2. Section 34-51 Revised Laws of Hawaii 1955, as amended, by Act 152 Session Laws of Hawaii 1957, is hereby further amended to read as follows:

**"Sec. 34-51. Count of money and securities in treasury.** The comptroller with the aid of the staff of the tax commissioner and the director of the bureau of the budget shall, count the money and securities in the territorial treasury once in each fiscal year, or such other times as the comptroller may deem necessary, provided that the scope of the examination shall be determined by the comptroller who shall use such auditing procedures as he deems necessary.

The comptroller shall prepare, in triplicate, statements showing:

(a) The amount of money actually in the treasury reconciled with the amount of money as shown by the comptroller's record.

(b) The amount of securities owned by the Territory in the treasury reconciled with the amount of securities as shown by the comptroller's records.

(c) The amount of the depository securities actually in the treasury as compared with the amount of cash deposited in the respective banks (depositories) provided that the sufficiency of such deposits shall not be made a part of the examination."

SECTION 3. Section 34-52 Revised Laws of Hawaii 1955, as amended, by Act 152 Session Laws of Hawaii 1957, is hereby further amended to read as follows:

**"Sec. 34-52. Statements of count to be filed.** The comptroller shall file the original copy of the statement with the governor, duplicate with the treasurer, and the comptroller shall post and maintain the triplicate copy in his office for at least one month thereafter."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 518.**

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**ACT 146**

An Act Amending Section 50-23 of Chapter 50, Revised Laws of Hawaii 1955, Relating to Wages of Patient Laborers at Kalaupapa Settlement and Hale Mohalu.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 50-23 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the figures "50" and "40" appearing in the first paragraph and substituting the figures "65" and "55" respectively.

SECTION 2. There is hereby appropriated from the general fund a total sum of \$28,000 to be expended during the biennium 1959-61 in order to carry out the provisions of this Act.

SECTION 3. The effective date of this Act shall be July 1, 1959.

(Approved May 25, 1959.) **S.B. 735.**

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**ACT 147**

An Act to Amend Section 149-184 of the Revised Laws of Hawaii 1955, as Amended, Relating to Projects and Changes in and Extensions of the Master Plan: Powers of Commission, the Governor, the Board of Supervisors.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-184 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended as follows:

a. By amending the first sentence of paragraph 2 to read as follows:

"Before taking action on any proposed addition to or change in the master plan, other than specific use zone districts within the master plan created by procedures provided for in section 149-197 and section 149-198, the board of supervisors shall by resolution refer such proposal to the commission, which shall, after a public hearing, published notice of which shall be given, report thereon within thirty days with respect to the relation of such proposed addition or change to the master plan."

b. By amending the first sentence of paragraph 3 to read as follows:

"An addition to or change in the master plan, other than specific use zone districts within the master plan created by procedures provided for in section 149-197 and section 149-198, may be initiated by the commission by adopting a resolution for such purpose after public hearing, published notice of which shall be given."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 984.**

**ACT 148**

An Act Authorizing the Board of Trustees of Leahi Hospital to Admit Persons Suffering from Chronic Diseases to Leahi Hospital and to Use Money Appropriated for the Care and Treatment of Tuberculosis Patients for Such Care.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The trustees of the Leahi Hospital may admit as patients, indigent and medically indigent persons who are suffering from chronic disease provided that sufficient beds are at all times available to persons with tuberculosis eligible for admission to the hospital. Subject to the approval of the board of health, the trustees may promulgate rules and regulations concerning the admission of such chronic disease patients and the reimbursement for their care and treatment.

SECTION 2. Money appropriated to the Leahi Hospital for the care and treatment of tuberculosis patients may be used to care for patients suffering from chronic disease who are admitted to the hospital.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 1066.**

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**ACT 149**

An Act to Amend Section 64-3 (d) of the Revised Laws of Hawaii 1955, as Amended by Act 219 of the Session Laws of Hawaii 1957, Relating to Qualifications for Taking Examination to Practice Medicine.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 64-3 (d) of the Revised Laws of Hawaii 1955, as amended by Act 219 of the Session Laws of Hawaii 1957, is hereby further amended by amending the proviso thereof to read as follows:

“provided, that an applicant born in the Territory of Hawaii who is a graduate of a foreign medical school, who has had at least ten years of training under the direct supervision and preceptorship of a duly licensed physician or surgeon in the Territory of Hawaii, who has had at least one year’s medical experience or training in a hospital approved by the council on medical education and hospitals of the American Medical Association for internship or residency, or who is a graduate of a foreign medical school and who has had at least three years’ medical experience or training in such approved hospital as aforesaid, and who has all the other qualifications enumerated in this section, except those listed in the first portion of this subsection, may apply for such examination not later than June 30, 1960.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 1080.**



**ACT 150**

An Act Creating an Economic Research Center Within the University of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1. Economic research center.** There is hereby established at the University of Hawaii an office known as the economic research center. The purpose and the functions of the economic research center are as follows:

1. To evaluate and secure evidence on the economic effects of proposed and enacted legislation.
2. To perform basic economic research necessary for the operations of various government agencies.
3. To perform continuing economic and statistical research for the welfare of the community as a whole.
4. To evaluate the effects of national legislation and national and international developments on the economy of Hawaii.
5. To promote understanding of our economy.

**SECTION 2. Personnel.** The economic research center shall be under the direction of a director who shall be a qualified, professional economist with the necessary academic qualifications and economic research experience. The director shall be appointed by the President of the University of Hawaii and shall serve at his pleasure. He may also be a member of the faculty. The director, with the approval of the President of the University of Hawaii, may select and appoint a research economist, economic statistician and other technical and clerical help for the efficient operation of the center.

**SECTION 3.** This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 1356.**

**ACT 151**

An Act Relating to the Audit Department, Amending Section 34-17 Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Section 34-17 Revised Laws of Hawaii 1955, as amended, is further amended to read as follows:

**"Sec. 34-17. Accounting systems and internal control; enforcing the use of and inspection of the same.** The accounting system installed by the commission on public accountancy under the provisions of Act 181, Session Laws of Hawaii 1923, as amended by Act 220, Session Laws of Hawaii 1925, for use in the offices of the comptroller, treasurer, departmental and agency services of the Territory and the auditors, treasurers, departmental and agency services of the several counties shall be the accounting and reporting systems of the Territory and counties.

The comptroller shall enforce the use of such accounting and internal control systems, make such investigations and audits from time to time as may be necessary and make such changes and modifications in such

systems as shall from time to time appear to be in the best interest of the Territory and counties.

The departmental and agency services of the Territory are respectively charged with the responsibility to maintain an adequate system of internal control and with the further responsibility to see that the internal control system continues to function effectively as designed."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved May 25, 1959.) **S.B. 1460.**

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## ACT 152

An Act Establishing an Integrated Program Combining a Curriculum of Overseas Operations and Asian Studies for the University of Hawaii, Amending Chapter 44, Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 44, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding five new sections to be numbered and to read as follows:

**"Sec. 44-47. Overseas operations program, establishment.** There is hereby established at the University of Hawaii an overseas operations program, for the purpose of conducting training programs to prepare students for service with international organizations, agencies of the United States government, and private institutions and industry.

**Sec. 44-47.1. Director, appointment of; assistants.** There shall be appointed by the president of the University of Hawaii, and to serve at his pleasure, a director who shall be in charge of the overseas operations program. The director may appoint such clerical, technical and other assistants as may be necessary and as shall be provided under appropriations made for the program. The president of the University may assign other members of the University of Hawaii staff to work in connection with this program and shall make available such facilities and equipment as may be necessary for the accomplishment of the program.

**Sec. 44-47.2. Director, contacts authorized.** The director is hereby authorized to contact representatives of international organizations, agencies of the United States government, and such other private or public agencies as will aid in the formulation and effectuation of the overseas operations program.

**Sec. 44-47.3. Program of Asian studies; director, appointment.** There is also established at the University of Hawaii a program of Asian studies for the encouragement of the study of and the conducting of research concerning Asia, including the integration into the program of Asian students seeking education in the United States. This program shall be in charge of a director appointed by the president of the University of Hawaii and to serve at his pleasure. The director may appoint such clerical, technical and other assistants as may be necessary and as shall be provided for under appropriations made to the program. The president of the University may assign other members of the University

staff to work in connection with this program and shall make available facilities and equipment for this program.

**Sec. 44-47.4. Programs for overseas operations and Asian studies, integration of.** The overseas operations program and the Asian studies program shall be integrated so as to constitute a combined curriculum of overseas operations and Asian studies."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 1462.**

### ACT 153

An Act Relating to Kula Sanatorium Managing Committee, and Amending Section 148-25 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 148-25 of the Revised Laws of Hawaii 1955 is hereby amended by adding after the first paragraph thereof, the following new paragraphs to read as follows:

"The committee may admit as patients indigent or medically indigent persons who are suffering from chronic disease, and is also authorized to consolidate services with and absorb the patients and residents of Hale Makua of Maui, provided however, that sufficient beds are at all times available for persons with tuberculosis eligible for admission to the hospital. In cooperation with the board of health and the county of Maui, the committee may promulgate rules and regulations concerning the admission of such chronic disease patients and individuals, and the reimbursement for their care and treatment.

Money appropriated to Kula Sanatorium for the care and treatment of tuberculosis patients may be used to carry out the purposes of this Act."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 547.**

### ACT 154

An Act Relating to Promotions of Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 3-21 of the Revised Laws of Hawaii 1955, is hereby amended by amending the first sentence of the third paragraph of subsection (e) thereof, as amended by Act 51 of the Session Laws of Hawaii 1957, to read as follows:

"An appointing authority may fill a vacant position in his department by promoting any regular employee in the department without examination if the employee meets the minimum class qualifications of the position to which he is to be promoted, and if such position is in the same or related series as the position held by the employee; provided, however, that when there is no material difference between the

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qualifications of the employees concerned, the employee with the longest government service shall receive first consideration for the promotion."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1959.) **S.B. 402.**

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ACT 155

An Act Relating to Boxing Contests and Amending Chapter 165 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 165-15 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Section 165-15. Receipts and reports thereon.** Every person, club, corporation, organization or association holding a license to conduct, hold or give boxing contests shall, within seventy-two hours after the determination of every boxing contest for which admission fees are charged and received, furnish to the commission a written report, duly verified, showing the number of tickets sold for such contest and the amount of the gross receipts or proceeds thereof, and such other matters as the commission may prescribe.

"For the purpose of this section, gross receipts shall include income received from the sale of broadcasting, television and motion picture rights."

SECTION 2. Section 165-16 and Section 165-18 of the Revised Laws of Hawaii 1955 are hereby deleted in their entirety, and the remaining sections of Chapter 165 of the Revised Laws of Hawaii 1955 shall be appropriately renumbered.

SECTION 3. Section 165-37 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Section 165-37. Not to apply to army, air force, navy or national guard.** Except as provided in this section, none of the provisions of this chapter shall be construed as having any application to any boxing contest held as a recreational activity by army, air force, navy and national guard personnel when any such contest is held under the supervision of any recreational officer of the army, air force, navy or national guard, provided that no such contest shall be held in any place subject to the jurisdiction of the commission unless the commission has first granted a license to hold the same, for which license no fee shall be charged."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 26, 1959.) **H.B. 1148.**

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ACT 156

An Act Relating to the Compensation of Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 4-4 of the Revised Laws of Hawaii 1955 is hereby amended by adding the following sentence at the end of the second paragraph thereof:

“Prevailing wage practices in the community may also be taken into consideration as a factor in making such determinations.”

SECTION 2. This Act shall take effect July 1, 1959.

(Approved May 27, 1959.) **H.B. 187.**

### ACT 157

An Act Relating to the Employees' Retirement System of the Territory of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-50, Revised Laws of Hawaii 1955, is hereby amended by adding a new paragraph to the end of the section to read as follows:

“Option 5. A lump sum payment which shall be equivalent to his accumulated contributions may be paid to any member at his request.”

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved May 27, 1959.) **H.B. 243.**

### ACT 158

An Act Providing First Priority to Disabled Veterans and Their Dependents in Housing Administered by the Hawaii Housing Authority, Amending Section 77-10 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 77-10 of the Revised Laws of Hawaii 1955, is hereby amended by adding the following phrase to the last sentence: “provided, however, within the priorities established by the authority recognizing need, veterans with a permanent disability of ten per cent or more as certified by the veterans' administration, the dependent parents of such a veteran and such deceased veteran's widow, shall be given first preference.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 276.**

### ACT 159

An Act Relating to the Development of the Waimanalo Valley, Island of Oahu, Approving the Plan of the Commissioner of Public Lands, Authorizing the Commissioner of Public Lands to Proceed with the Execution of Said Plan and Making an Appropriation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. It is hereby found and declared: (a) the significant economic facts concerning undeveloped land adjoining the perimeter of the urban area of the city of Honolulu are that the supply is decreasing and the demand is increasing;

(b) it is imperative to the preservation and improvement of the public health, safety, morals and welfare that careful plans be established for the future use of large land areas as yet not fully developed adjacent to such perimeter;

(c) in the event such an area is, for the most part, under the jurisdiction of a public agency, the duty to establish such plans promptly is of the first consequence;

(d) where more than one public agency is involved, careful planning requires the cooperation of all such agencies and, at the same time, the designation of one agency to bear the responsibility for the execution of the plans developed;

(e) Waimanalo Valley is now on the edge of the Honolulu urban area, and is the major area under the jurisdiction of a public agency available for expansion of the Honolulu urban area;

(f) Waimanalo Valley contains about 6,970 acres, of which all but 739 acres is under the control of public agencies;

(g) among the public agencies, the commissioner of public lands of the Territory of Hawaii is the logical one to develop the valley, because of the amount of land under his jurisdiction, his interest in the development, his statutory powers of management of the public lands, and the availability of funds under his supervision and control to effect the development;

(h) the commissioner of public lands has caused to be prepared a comprehensive long-range general plan for the development of Waimanalo Valley;

(i) careful planning involves the existing and future use of all land, whether publicly or privately owned; while the future use is subject to control by master plan and by zoning ordinance and the existing use of publicly-owned land is subject to control by the agency having jurisdiction over it, the existing use of privately-owned land cannot be controlled either by zoning ordinance or by the public agency having jurisdiction of adjacent or surrounding publicly-owned land;

(j) in the event the proper development of Waimanalo Valley cannot be accomplished with the privately-owned land in its existing ownership and use, whether because the owners of such land are unable to afford making changes in the existing use or for other reasons are unable or unwilling to effect such changes, then the public good requires that such privately-owned land be acquired in order that the benefits of careful planning and development may be obtained, for both the large amount of publicly-owned land and the relatively small amount of privately-owned land in Waimanalo Valley;

(k) it would better effectuate the purposes of the Hawaiian Homes Commission Act to have exchanges between the Territory and the Hawaiian Homes Commission of land within the Waimanalo area in accord with the plan of development hereinafter referred to in section 2 of this act; and

(1) the execution of the plan designated in section 2 of this Act is declared to be a public purpose.

SECTION 2. The development of Waimanalo Valley, Island of Oahu, by the commissioner of public lands, Territory of Hawaii, in accordance with the present plan of the commissioner of public lands as embodied in "A General Plan for Waimanalo Valley, Island of Oahu," dated October, 1958, prepared by Harland Bartholomew & Associates for the commissioner of public lands, and on file in the office of said commissioner, is hereby approved, and said commissioner is authorized to execute said plan except for those portions which pertain to lands under the jurisdiction of the Hawaiian Homes Commission and the assignment of home sites to the Hawaiian Homes Commission, which portions shall not be effective until by exchange or otherwise said lands under said jurisdiction shall fall within the jurisdiction of the commissioner of public lands. In the execution of said plan the commissioner of public lands shall take cognizance of any changes in the facts and circumstances or in the information upon which said plan was predicated, hereafter occurring, and shall make reasonable amendments to said plan as those changes may require.

SECTION 3. The development and use of privately-owned land in Waimanalo Valley in accordance with the plan of the commissioner of public lands hereinabove approved in section 2 of this Act is declared to be a public use. The commissioner of public lands, acting on behalf of and in the name of the Territory of Hawaii, is hereby authorized to purchase at a price not exceeding that established as the fair value by duly appointed and qualified appraisers of the office of the commissioner of public lands, or to exchange other public land therefor in accordance with law, any privately-owned lands in Waimanalo Valley when, at the time of execution of said plan, the existing use of such lands prevents or is incompatible with development and use in accordance with said plan.

Private property in the area may be condemned by the commissioner of public lands in the name of the Territory for roadways, pipelines, and other like public uses. Private property in excess of that needed for such uses may also be condemned in cases where small remnants would otherwise be left or where other justifiable cause necessitates such taking to protect and preserve the contemplated uses, or public policy demands such taking in connection with such uses, in which case the condemning authority may sell or lease such excess property, with such restrictions as may be dictated by considerations of public policy in order to protect and preserve such uses; provided, that when any such excess property shall be so disposed of, unless some other disposition is deemed to be in the interest of the development plan, it shall first be offered to the abutting owner for a reasonable length of time and at a reasonable price and if such owner fails to take the same, then it may be sold at public auction, but nothing in this proviso contained shall be deemed to require any disposition contrary to the mandatory provisions of the Organic Act. All moneys received from the sale or lease of such excess property shall be paid into the fund or appropriation from which money was taken for the original condemnation and shall be available for the purposes of such fund or appropriation.

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SECTION 4. There is hereby appropriated from any funds of the office of the commissioner of public lands in the land development revolving fund or the special fund for the city and county of Honolulu, any sums necessary for the purchase or condemnation by the commissioner authorized in section 3 of this Act.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 614.**

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ACT 160

An Act Relating to Wages and Hours of Employees on Public Works, and Amending Chapter 9A, Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsection (a) and the first paragraph of subsection (b) of Section 9A-4, Revised Laws of Hawaii 1955, are hereby amended to read as follows:

"(a) The governmental contracting agency shall (1) pay or cause to be paid, directly to laborers and mechanics, from any accrued payment withheld under the terms of the contract, any wages or overtime compensation found to be due to laborers or mechanics under the terms of the contract subject to this chapter, (2) order any contractor to pay any wages or overtime compensation which such contractor, or any of his subcontractors, should have paid to any laborer or mechanic under any contract subject to this chapter, and (3) report to the director any violation of this chapter or of the terms of the contract subject to this chapter.

(b) Where the director, either as a result of a report by a contracting agency or as a result of his own investigation finds that a first violation of this chapter or of the terms of the contract subject to this chapter has been committed, he shall warn the contractor or subcontractor involved, and if such contractor or subcontractor promptly makes his employees whole for any wages or overtime compensation due, no further action shall be taken. Where a second or third violation subsequently occurs, whether on the same contract or another, within two years of the first violation, the director shall serve a written complaint on the person or firm involved. If, after proper notice and opportunity for hearing before the labor and industrial appeal board, the appeal board finds that the person or firm has knowingly violated the provisions of this chapter or the terms of the contract subject to this chapter, the appeal board shall order such person or firm, if it be a second violation, to pay a penalty of no more than five per cent of the total contract amount, or if it be a third violation the appeal board shall order the person or firm suspended from doing any work on any public work of a governmental contracting agency for a period of three years. If any person or firm, after warning, or after assessment of the above penalty, fails to make his or its employees whole for wages or overtime pay due them under the contract, or fails to pay any penalty assessed, the appeal board may suspend such person or firm as provided herein.



However, on application by the suspended person or firm, no less than one year from the date of suspension, the appeal board may, after hearing, shorten such term of suspension. The director shall immediately notify the comptroller of the Territory and the auditors of the counties of any suspension order."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 633.**

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### ACT 161

An Act Extending Relief for Persons Suffering Property Damage from Volcanic Activity in Puna, Island of Hawaii by Amending Act 207, Session Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Act 207, of the Session Laws of Hawaii 1955, is hereby amended as follows:

(1) By deleting from the ninth line of the second paragraph of Section 2 "5" and substituting "10".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 699.**

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### ACT 162

An Act Relating to the Position of Assistant to the Judges in Filipino Affairs in the Circuit Court of the First Circuit.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The position of assistant to the Judges in Filipino Affairs, First Circuit, shall be subject to the provisions of Chapters 3 and 4 of the Revised Laws of Hawaii 1955, as amended.

SECTION 2. The assistant to the Judges in Filipino Affairs, First Circuit, who shall be in service on the effective date of this Act, shall be continued in the service of the First Circuit and receive permanent status in civil service without examination and his compensation shall be set in accordance with Chapter 4. In adjusting his salary to the appropriate salary range, he shall have his salary adjusted as if he had been on the compensation schedule since August 22, 1955 and had received all pay increases and increments granted to regular civil service employees, but in no event less than \$378 per month.

SECTION 3. Joint Resolution 10, Session Laws of Hawaii 1949, is hereby repealed.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 707.**

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### ACT 163

An Act Amending Section 170-7 of the Revised Laws of Hawaii 1955, as Amended, Relating to Real Estate Brokers and Salesmen.

ACT 164

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Paragraph (f) of Section 170-7 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"(f). To any person as a broker unless he shall have been duly licensed as a real estate salesman for a period of at least two consecutive years prior to the date of his application for a real estate broker's license and either (1) he shall have been engaged in the real estate business for said period of two years or (2) he has had other experience or education in the selling or management of real estate which, in the opinion of the commission, is equivalent to two years' experience to be established by detail explanatory affidavit or in such other manner as may be determined by the commission."

SECTION 2. Any person who, on the effective date of this Act, holds a license as a real estate salesman may apply for a license as a broker upon his completing one year's experience as a licensed salesman.

SECTION 3. This Act shall take effect on July 1, 1959.

(Approved May 27, 1959.) **H.B. 746.**

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ACT 164

An Act to Amend Chapter 94 of the Revised Laws of Hawaii 1955, as Amended, Relating to Wages and Hours.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 94-2 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the figure "\$350" in subdivision (a) of the paragraph defining "Employee" and substituting in lieu thereof the figure "\$450".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 750.**

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ACT 165

An Act Amending Section 170-3 of the Revised Laws of Hawaii 1955, Relating to the Real Estate License Commission.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 170-3 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Sec. 170-3. Commission, appointments, qualifications, tenure.** There shall be appointed in the manner provided by section 80 of the Organic Act a commission to be known as the Real Estate License Commission, and to consist of five members, at least three of whom shall be licensed real estate brokers who have been engaged in business as licensed real estate brokers or salesmen for three years immediately preceding their appointments, each of whom shall be a citizen of the United States and shall have resided in the Territory for at least three years preceding

his appointment, and one of whom shall be designated by the appointing power as chairman.

"Appointments shall be made for a term of three years, commencing from the date of expiration of the last preceding term and shall be made to expire on December 31. Appointments shall be made so that at least one appointment shall be required each year.

"Any vacancy shall be filled by appointment for the unexpired term. The members of the commission shall serve without pay. All expenses shall be paid out of the special fund provided in section 170-10.

"Any three members shall constitute a quorum to do business."

SECTION 2. This Act shall not affect the terms of the three incumbent members of the commission. Of the two additional members to be initially appointed under this Act, the term for one of them shall expire on December 31, 1960, and the term for the other shall expire on December 31, 1961.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 756.**

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### ACT 166

An Act Increasing the Total Accumulation of Sick Leave for Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 5-39 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the second paragraph to read as follows:

"Sick leave allowances shall be recorded and administered on a calendar year basis, the allowance accruing during each calendar year being credited to employees as of December 31 of each year. The sick leave provided for in this section, which is not used by an officer or employee during the year in which it accrues, shall accumulate and be available for use in succeeding years. Whenever it is deemed necessary, particularly when an abuse is indicated, a department head shall have the authority to investigate any absence for which sick leave, with pay, is indicated. Upon a finding that the employee's claim of illness was falsely made, the department head shall take proper disciplinary action in accordance with the rules and regulations which shall be promulgated by the commission."

SECTION 2. This Act shall take effect upon its approval and shall apply only to sick leave earned subsequent to the effective date of this Act.

(Approved May 27, 1959.) **H.B. 768.**

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### ACT 167

An Act Amending Chapter 9A, Revised Laws of Hawaii 1955, to Require the Submission of Weekly Payrolls and the Maintenance of Payroll Records by Contractors on Public Works.

## ACT 168

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 9A, Revised Laws of Hawaii 1955, is hereby amended by the addition of a new section to be numbered and to read as follows:

**"Section 9A-2.5. Payrolls and payroll records.**

(a) Every such contract and the specifications for such contract shall contain a provision that a certified copy of all payrolls shall be submitted weekly to the governmental contracting agency. The general contractor shall be responsible for the submission of certified copies of the payrolls of all subcontractors. The certification shall affirm that the payrolls are correct and complete, that the wage rates contained therein are not less than the applicable rates contained in the wage determination decision of the director attached to the contract, and that the classifications set forth for each laborer or mechanic conform with the work he performed.

(b) Payroll records for all laborers and mechanics working at the site of the work shall be maintained by the general contractor and his subcontractors, if any, during the course of the work preserved for a period of three years thereafter. Such records shall contain the name of each employee, his correct classification, rate of pay, daily and weekly number of hours worked, deductions made and actual wages paid. Such records shall be made available for inspection by the governmental contracting agency, director, commission and any authorized representatives thereof who may also interview employees during working hours on the job."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1070.**

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## ACT 168

An Act to Repeal Act 226, Session Laws of Hawaii 1957, Relating to an Appropriation to the City and County of Honolulu from the Hawaii Housing Authority Revolving Fund.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Act 226 of the Session Laws of Hawaii 1957 is hereby repealed.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1117.**

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## ACT 169

An Act Amending Sections 219-17 and 219-19 of the Revised Laws of Hawaii 1955, Relating to the Fees of Trustees of Charitable Trusts.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 219-17 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the phrase "except trustees of a charitable trust" in the third paragraph only of said section and by inserting, after

the last word in the first sentence of the same paragraph, a comma and the words "nor shall such one-tenth of one per cent be allowed when such authority is granted by statute."

SECTION 2. Section 219-19 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Notwithstanding any other provisions, in the case of an estate of a charitable trust, the commissions of the trustees shall be limited to the following schedule of percentages on all moneys received in the nature of revenue or income of the estate, such as rents, interests, and general profits: ten per cent on the first \$1,000; seven per cent on the next \$4,000; five per cent on the next \$100,000; three per cent on the next \$100,000; and two per cent on all over \$205,000. This schedule of percentages shall be applied not oftener than once a year.

Such trustees shall also be entitled to just and reasonable allowances for bookkeeping, clerical and special services and expenses incidental thereto.

This section shall apply as well to future accounting in existing estates as to new estates."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1590.**

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## ACT 170

An Act Amending Section 140-7, Revised Laws of Hawaii 1955, Relating to Lien on Bonds.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 140-7, Revised Laws of Hawaii 1955, is hereby amended by substituting a semi-colon for the period at the end of the first sentence in the section and by adding the following clause thereto: "provided however, that the right and privilege may be reserved in any resolution authorizing the issuance of revenue bonds to subsequently issue additional revenue bonds, from time to time, payable from the revenue of an undertaking on a parity with such revenue bonds thereby authorized and such subsequently issued revenue bonds conforming to such reserved right and privilege shall then rank on such parity as to security and source of payment.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1706.**

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## ACT 171

An Act Authorizing the Counties of Hawaii, Maui, and Kauai, and the Police Commission of the City and County of Honolulu to Provide Public Liability and Property Damage Insurance for Reserve Police Officers, and Amending Chapters 145 and 150, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 145, Revised Laws of Hawaii 1955 is hereby amended by adding a new section to be designated as Sec. 145-16.5 to read as follows:

**"Sec. 145-16.5. Public liability and property damage insurance for reserve police officers.** Any member of the reserve police, who from his own funds furnishes and regularly uses his own automobile in the performance of official duties, shall have his public liability and property damage insurance paid by the county."

SECTION 2. CHAPTER 150, Revised Laws of Hawaii 1955 is hereby amended by adding a new section to be designated as Sec. 150-13.5 to read as follows:

**"Sec. 150-13.5. Public liability and property damage insurance for reserve police officers.** Any member of the reserve police, who from his own funds furnishes and regularly uses his own automobile in the performance of official duties, shall have his public liability and property damage insurance paid by the commission."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1723.**

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### ACT 172

An Act Amending Act 97 of the Session Laws of Hawaii 1955, to Authorize the Board of Harbor Commissioners to Construct Harbor Improvements at Nawiliwili Harbor and Port Allen on the Island of Kauai.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 1 of Act 97 of the Session Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 1. The board of harbor commissioners at its discretion is authorized to expend from its special fund a sum not to exceed \$100,000 for the construction of harbor improvements at Nawiliwili Harbor on the island of Kauai and a sum not to exceed \$100,000 for the construction of harbor improvements at Port Allen on the island of Kauai."

SECTION 2. Section 2 of Act 97 of the Session Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 2. The special fund shall be reimbursed for any expenditure made under this Act from all income received at Nawiliwili Harbor and Port Allen."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 356.**

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### ACT 173

An Act to Provide Protection for Per Diem Workers and Their Retirement Rights, and Making Appropriations Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Notwithstanding any other provision of law to the contrary, employees in per diem positions and employees who formerly filled per diem positions shall be allowed full prior service credit in the employees' retirement system from the date they entered government employment as per diem employees until the date they attain monthly status.

SECTION 2. The various counties are authorized and directed to pay to the employees' retirement system sums necessary for the purpose of granting prior service credit in the employees' retirement system to the per diem workers and former per diem workers in the respective counties still in service and covered by this Act.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 456.**

### ACT 174

An Act to Provide Members of the Employees' Retirement System of the Territory of Hawaii with Annual Statements of Their Accumulated Contributions.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-81 of the Revised Laws of Hawaii 1955 is hereby amended by adding a new sentence to read as follows:

"A member shall be mailed an annual statement showing his accumulated contributions upon his request therefor."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved May 27, 1959.) **H.B. 1001.**

### ACT 175

An Act to Amend Section 6-75(a) of the Revised Laws of Hawaii 1955, Relating to Pension and Retirement Systems and the Investment of Funds Thereof in Government Insured Mortgages.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-75(a) of the Revised Laws of Hawaii 1955 is hereby amended by inserting after the word "due" in the fifth line of the Section: "and including government insured mortgages of non-profit corporations desiring to build multi-rental units (10 units or more) for occupancy by families displaced as a result of government action and subject to control of the government;"

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1115.**

### ACT 176

An Act Amending Subsection 34 of Section 149-86 of the Revised Laws of Hawaii 1955, Relating to the Power of the Board of Supervisors of the City and County of Honolulu to Sell Land.

ACT 177

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsection 34 of section 149-86 of the Revised Laws of Hawaii 1955 is hereby amended as follows:

(a) By inserting between the words "auction" and "after" in the first sentence of the section, the following clause:  
"except as otherwise provided in this section,"

(b) By adding at the end of said section the following paragraph:

"However, the board may sell any land, acquired for a public road in pursuance of a master plan therefor where, prior to such land being put to its intended use, the master plan is deleted or amended rendering such land unnecessary for such use. Such land shall first be offered for sale at the current fair market value for a reasonable period to the former owner thereof, provided that he is an abutting owner or the occupant thereof. If the former owner refuses the offer, then the board may, as it deems advisable, either exchange such land as provided in subsection 35 of section 149-86, or sell such land at public auction in the manner provided for the disposition of real property acquired by the city at a sale for default in the payment of improvement district assessments."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1631.**

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ACT 177

An Act Relating to Costs of Medical Care and Hospital Charges of Indigent and Medically Indigent and Amending Section 48-9 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 48-9 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 48-9. Cost of medical care of indigent and medically indigent.**

(a) The costs of medical care for indigent and medically indigent persons in the Territory shall be paid by the Territory.

The board of health shall approve semi-annual advances to each of the several counties, on July 1 and January 2 of each year, of sums estimated by each of the several counties as those needed for the costs of medical care. At the end of each semi-annual period the board of supervisors of each of the counties shall certify to the board of health the amounts expended for medical care as provided in this chapter. In the event the board of health determines that any sum or sums were paid by any county without authority or proper determination under this chapter, such sum or sums shall constitute a deduction from the amount which would otherwise be advanced to the county for the semi-annual period next ensuing following the determination of such unauthorized expenditure.

All medical care and hospital charges for the care of the indigent and medically indigent patients shall be paid by the respective boards of supervisors to the respective hospitals or authorized vendors of care



without respect to whether such hospitals or authorized vendors are publicly or privately owned or operated; payments to hospitals under this paragraph are to be based upon a flexible cost formula to be established by the board of health.

(b) Any sums appropriated by the legislature for the costs of medical care for the indigent and medically indigent may, with the approval of the governor, be transferred to the department of public welfare for expenditure by that department in accordance with the requirements of federal laws or federal rules and regulations under which federal matching funds may be claimed by the Territory."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 547.**

### ACT 178

An Act Relating to the Employees' Retirement System of the Territory and Amending Section 6-56 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-56 of the Revised Laws of Hawaii 1955 is hereby amended by amending the second sentence thereof to read as follows:

"At such time as the amounts payable under any such workmen's compensation or similar award have been paid in full, payment of the benefits to which the member or dependents of a member are otherwise entitled under the provisions of this part shall be resumed in full."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 965.**

### ACT 179

An Act to Amend Section 130-16 of the Revised Laws of Hawaii 1955, as Amended, Relating to Disposition of Taxes in the Highway Fund.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 130-16 of the Revised Laws of Hawaii 1955, as amended by Act 286 of the Session Laws of Hawaii 1957, is hereby amended in the following respects:

(a) Subparagraph (b) is amended to read as follows:

"(b) for installation, maintenance, and repair of street lights and power, and other charges for street lighting purposes, including replacement of old street lights, on county-maintained public roads and highways;"

(b) Add the following sentence at the end of the paragraph:

"No expenditures shall be made out of this fund which will jeopardize federal aid for highway construction."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1107.**

**ACT 180**

An Act Relating to the Disposal of Public Lands, Amending the Definition of Remnants Contained in Section 73 (r) of the Organic Act, Providing for Disposition of Such Remnants, of Excess Property Under Section 8-2 of the Revised Laws of Hawaii 1955, and of Public Lands Subject to the Provisions of Section 99-48 of Said Revised Laws.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Any other provision of law to the contrary notwithstanding, whenever any remnant as defined by Section 73(r) of the Hawaiian Organic Act as herein amended, or excess property as described in Section 8-2, or public land subject to the provisions of Section 99-48, shall be required by law to be sold to an owner or owners of abutting land, such requirement shall only be effective in the event that the same is not needed for other disposition in the interest of the development of the community or area in which such remnant, excess property or public land is located. The determination of such need, and any disposition made in accordance therewith, shall be made by the decision of the commissioner of public lands, approved by two-thirds of the members of the board of public lands.

SECTION 2. Subsection (r) of Section 73 of the Hawaiian Organic Act, enacted by Public Law 869, is amended by substituting for the second paragraph, the following paragraph:

"The term 'remnant' shall mean a parcel of land unsuitable for development as a separate unit, and, in case of an urban area, no larger than five thousand square feet in size, or in case of a suburban or rural area, no larger than one and one-half acres in size."

SECTION 3. The provisions of section 8-2 of the Revised Laws of Hawaii 1955 shall apply in equal measure to property purchased as to that condemned by the Territory or the State in excess of that needed for the purposes designated in such section. Any sales of such purchased property made prior to the effective date of this Act to an abutting owner on the same basis as though it had been condemned are ratified and confirmed.

SECTION 4. This Act shall take effect upon its approval, or, if at the time of its approval the consent of the Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the legislature of the State of Hawaii.

(Approved May 27, 1959.) **H.B. 1110.**

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**ACT 181**

An Act Amending Sections 142-17 and 142-21 of the Revised Laws of Hawaii 1955, Relating to the Construction and Maintenance of Sidewalks and Curbs.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 142-17 of the Revised Laws of Hawaii 1955 is amended by deleting therefrom the words "Honolulu" and "Wahiawa" and by substituting in their place the words "City and County of Honolulu".

SECTION 2. Section 142-21 of the Revised Laws of Hawaii 1955 is amended by deleting therefrom the words "city of Honolulu and Wahiawa" and by substituting in their place the words "City and County of Honolulu".

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1119.**

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### ACT 182

An Act Amending Chapter 171A, Revised Laws of Hawaii 1955, Relating to Collection Agencies.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 171A-18(c), Revised Laws of Hawaii 1955, is hereby repealed.

SECTION 2. Chapter 171A, Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new section to read as follows:

**"Section 171A-18.5. Fees.** A licensee shall not collect, or attempt to collect, any collection fee or attorney's fee from any debtor, unless the debtor has agreed in writing with his creditor, or the licensee, to pay such fee; provided, any collection fee or attorney's fee shall not be in excess of 25% of the unpaid principal balance; and provided further that such instrument in writing does not contain within its principal amount any collection or attorney's fees from a prior debt."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1217.**

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### ACT 183

An Act Relating to Group and Blanket Disability Insurance and Amending Chapter 181 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 181-501 Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 181-501. Group disability insurance defined.** Group disability insurance is that form of disability insurance provided by a master policy issued to an employer, to a trustee appointed by an employer or employers, or to an association of employers formed for purposes other than obtaining such insurance, covering, with or without their dependents and family members, the employees, or specified categories of the employees, of such employers or their subsidiaries or affiliates, or issued to a labor union, or to an association of employees formed for

purposes other than obtaining such insurance, covering, with or without their dependents and family members, the members, or specified categories of the members, of the labor union or association, or issued pursuant to section 181-503, or to an automobile club formed for purposes other than obtaining such insurance, covering, with or without their dependents and family members, the members of such a club, or issued to such other groups as qualify for group life insurance under the provisions of this chapter."

SECTION 2. Any provision of law inconsistent or in conflict with the provisions of this Act is hereby amended and repealed to the extent of such inconsistency or conflict.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1251.**

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### ACT 184

An Act Relating to the Issuance of Penal Summons in Traffic Cases, and Amending Section 257-1, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 257-1, Revised Laws of Hawaii 1955, is hereby amended by amending the first full sentence thereof to read as follows:

"**Sec. 257-1. Complaint; form of warrant.** When a complaint is made to any prosecuting officer of the commission of any offense, he shall examine the complainant, shall reduce the substance of the complaint to writing and cause the same to be subscribed by the complainant under oath, which he is hereby authorized to administer, or, in case the original complaint results from the issuance of a traffic summons by a police officer, said oath may be administered by another police officer or officers whose names have been submitted to the prosecuting officer and who have been designated by the chief of police to administer the same, which he is hereby authorized to administer."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1959.) **H.B. 1453.**

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### ACT 185

An Act Amending Section 97-10 Revised Laws of Hawaii 1955 to Provide That Right of Injured Employee to Bring Action Against Third Parties is Not Limited to Nine Months.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 97-10 Revised Laws of Hawaii 1955 is hereby amended by adding the following sentence at the end of the third paragraph:

"Except as limited by Chapter 241, the employee may at any time institute action or join in any action instituted by the employer against such third person."

SECTION 2. This Act shall take effect upon its approval.  
(Approved May 27, 1959.) **H.B. 1550.**

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**ACT 186**

An Act to Amend Section 160-37 of the Revised Laws of Hawaii 1955,  
Relating to Instruction Permits for Drivers.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 160-37 of the Revised Laws of Hawaii 1955, is hereby amended by substituting a semicolon for the period at the end of the first sentence thereof and adding thereto the following: "provided, that an applicant who is registered in a high school driver training course shall be issued a temporary instruction permit for the duration of such course and such termination date shall be noted thereon."

SECTION 2. This Act shall take effect upon its approval.  
(Approved May 27, 1959.) **H.B. 1647.**

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**ACT 187**

An Act to Amend Chapter 149, Revised Laws of Hawaii 1955, as Amended, Relating to Zoning Regulations of the City Planning Commission, City and County of Honolulu.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 149-197, of Chapter 149, Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the words "unanimous vote of all members" appearing in the 19th line of the last paragraph and substituting in lieu thereof, the words "a vote of at least five of its members".

SECTION 2. This Act shall take effect upon its approval.  
(Approved May 27, 1959.) **H.B. 1717.**

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**ACT 188**

An Act to Amend Chapter 138, Revised Laws of Hawaii, 1955, as Amended, by Adding a New Section Relating to County Bands.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 138, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section to read as follows:

**"Sec. 138-41. County Bands; Travel.** The Board of Supervisors of any county having a county band may authorize its band to travel to any other county or abroad for the purpose of creating goodwill.

SECTION 2. This Act shall take effect upon its approval.  
(Approved May 27, 1959.) **H.B. 1736.**

ACT 189

An Act Relating to the Employees' Retirement System.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-31 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"6-31. Membership service generally.** Membership service shall include (a) service by an employee rendered since becoming a member, (b) service rendered prior to becoming a member but (1) subsequent to January 1, 1926, by an employee of the Territory or (2) subsequent to January 1, 1928, by an employee of any county, (3) service as an employee of the federal government where the function carried on by said government has been transferred to the Territory or any county, or where the employee has been transferred to the federal government and subsequently retransferred to the Territory or any county, (4) service of a governmental nature performed under the supervision or control of the Territory or any county, and performed for the Territory or any county by an employee of an employer other than the Territory or any county, (5) service rendered for the Territory in the office of the Delegate to Congress from Hawaii and (6) as an employee of the Hawaii Territorial Guard. Service credited or creditable as prior service shall not be included. Membership service shall not be credited for any period which is not covered by the contributions of the member to the annuity savings fund, except as otherwise provided in section 6-34."

SECTION 2. The provisions of this Act shall apply to members of the Employees' Retirement System who are, or who will be, in the service of the Territory or any county on or after the effective date of this Act, but shall not apply to members who are no longer in service.

SECTION 3. This Act shall take effect on July 1, 1959.

(Approved May 29, 1959.) **H.B. 181.**

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ACT 190

An Act to Amend Chapter 44 of the Revised Laws of Hawaii 1955, as Amended, Authorizing the Board of Regents of the University of Hawaii to Issue Revenue Bonds of the Territory of Hawaii for Financing the Construction of Revenue-Producing Improvements to the Property of the University, and to Add to Said Chapter 44 Two New Sections Authorizing the Issuance of Refunding Bonds.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 44-63 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Section 44-63. Revenue bonds.** Revenue bonds shall be issued by the board for and on behalf of the Territory and shall bear interest at such rate or rates, not exceeding six per cent per annum, may be in one or more series, may be in such denomination or denominations, may bear such date or dates, may mature at such time or times not exceeding fifty years from their respective dates, may be payable at such place

or places within or without the Territory, may carry such registration privileges as to principal alone or as to both principal and interest, may be subject to such terms or redemption with or without premium, may be executed in such manner, and may contain such terms, covenants and conditions, and may be in such form, either coupon or registered, as the resolution authorizing the issuance of the bonds, or subsequent resolutions may provide. Revenue bonds may be sold at private sale to the United States, or any agency, instrumentality or corporation thereof, to the Territory or any political subdivision, agency, instrumentality or corporation thereof, or to any person or group of persons offering to purchase all of a major portion of a particular issue or series. Unless sold at private sale as herein provided, revenue bonds shall be sold at public sale after publication of a notice of such sale at least once, the date of publication to be at least five days prior to the date of such sale, and such publication shall be made in a newspaper published and of general circulation in the Territory and in a financial newspaper published in either of the cities of New York, Chicago or San Francisco. No revenue bonds shall be sold at a price or prices which will result in an interest cost on such bonds in excess of six per cent per annum. Pending the preparation of definitive revenue bonds, interim receipts or temporary bonds may be issued and delivered to the purchasers of such bonds in such form and containing such provisions as the Board may determine. Revenue bonds, interim receipts and temporary bonds shall be fully negotiable within the meaning of and for all the purposes of the negotiable instruments law, constituting chapter 197.

It shall be legal for the Territory and any of its political subdivisions, or any political or public corporation, including the employees' retirement system of the Territory, or any instrumentality of the Territory, or any insurance company or building and loan association, or any savings bank or trust company, or any bank or other financial institution operating under the laws of this Territory, or for any executor, administrator, guardian, trustee or other fiduciary, or any educational, charitable, or eleemosynary institution, to invest their funds, and moneys in their custody, in revenue bonds issued under this part."

SECTION 2. Section 44-65 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Section 44-65. Covenants in resolution authorizing loan or revenue bonds.** Any resolution or resolutions authorizing the obtaining of loans or the issuance of revenue bonds under this part may contain covenants as to: (a) the purpose or purposes to which the proceeds of the loan or of the sale of the revenue bonds may be applied and the use and disposition thereof; (b) the use and disposition of the revenue of the university project or projects for the construction or maintenance of which the loan is obtained or revenue bonds are issued, the use and disposition of the revenue of all university projects, and of the revenue of the university, including the creation and maintenance of reserves and the investment of moneys in such reserves; (c) the use and disposition of the proceeds of the sale of any university project, or part thereof; (d) the construction and maintenance of any university project other than the university project or projects for the construction or maintenance of which the loan is obtained or revenue bonds are issued;

(e) the obtaining of other or additional loans or the issuance of other or additional revenue bonds payable either from the revenue of the university project or projects for the construction or maintenance of which the loan is obtained or revenue bonds are issued or payable from the revenue of other university projects; (f) the maintenance of the university project, including the creation by the board of such supervisory positions, which shall not be subject to the provisions of chapters 3 and 4, as are necessary to facilitate the obtaining of loans or issuance of revenue bonds by ensuring the adequacy of revenues; (g) the insurance to be carried on university projects and the use and disposition of insurance moneys; (h) books of account and inspection and audit thereof; (i) a procedure by which the terms and conditions of the loan agreement or bond indenture may be subsequently amended or modified with the consent of the board, the holders of instruments evidencing the obligation to repay loans, and the vote or written assent of the holders of bonds or any proportion of such holders, or any trustee thereof; and (j) the terms and conditions upon which the holders of bonds, the holders of instruments evidencing the obligation to repay loans, or any proportion of such holders, or any trustee thereof, shall be entitled to the appointment of a receiver by any court of competent jurisdiction, which court shall have jurisdiction in such proceedings, and which receiver may enter and take possession of the university project or projects, maintain them, prescribe rents, fees and charges, and collect, receive, and apply all revenue thereafter arising therefrom in the same manner as the board itself might do, but the receiver shall have no power, nor be granted any power, to utilize, or permit the utilization of, any university project other than in a manner consistent with and in furtherance of the purposes of the university. The provisions of this part and any such resolution or resolutions shall be a contract with the holders of instruments evidencing the obligation to repay moneys loaned and the holders of bonds issued under this part, and the duties of the board and any such resolution or resolutions shall be enforceable by any bondholder or holder of an instrument evidencing the obligation to repay a loan by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction."

SECTION 3. Section 44-67 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Section 44-67. Liens of loans and bonds.** The resolution or resolutions authorizing the making of a loan or issuing revenue bonds may pledge to the payment thereof all or any part of the revenue of the University, and such pledge shall constitute a lien on the revenue of the University to the extent and in the manner in said resolution or resolutions provided prior and paramount to any claim or other obligation of any nature against said revenue subsequently arising or subsequently incurred. The Board may provide in such resolution or resolutions that all revenue bonds of the same issue shall be equally and ratably secured without priority by reason of number, date or maturity of the bonds, date of sale, execution or delivery thereof. Any pledge of revenues contained in any resolution or resolutions adopted under the provisions of this part shall be valid and binding from and after the adoption of such resolution or resolutions without physical delivery of the revenues



therein pledged or the necessity of any further action by the Territory or the Board, or any officer or agent of either the Territory or Board.”

SECTION 4. There is hereby added to Part IV, chapter 44 of the Revised Laws of Hawaii, a new section to be numbered 44-73 to read as follows:

**“Section 44-73. Funding and Refunding Bonds; Authorization and Purpose.** The Board may, with the approval of the Governor, provide for the issuance of revenue bonds (herein referred to as refunding bonds) for the purpose of refunding, redeeming or retiring at maturity, or within one year prior to maturity or the first date upon which the outstanding bonds to be refunded may be called for redemption, any bonds issued under the provisions of this part, including any bonds which the holders may consent to be paid or refunded even though such bonds are not matured or are not callable or redeemable, and for the purpose of funding indebtedness not evidenced by revenue bonds but which was incurred for purposes for which revenue bonds may be issued pursuant to this part. All provisions of this part applicable to the issuance of revenue bonds shall be complied with in the issuance of refunding bonds. Refunding bonds shall be sold as provided in section 44-63, or the Board may, in its discretion, provide for the exchange of refunding bonds for a like principal amount of outstanding bonds for the refunding of which the issuance of such refunding bonds has been authorized, whether or not the interest rate on the refunding bonds is higher than the interest rate on the bonds refunded thereby.”

SECTION 5. There is hereby added to Part IV, chapter 44 of the Revised Laws of Hawaii, a new section to be numbered 44-74 to read as follows:

**“Section 44-74. Funding and Refunding Bonds; Principal Amount.** Refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all bonds or indebtedness to be funded or refunded thereby, and for the payment of all expenses paid or incurred in connection with the calling, redeeming, retiring or paying of such indebtedness or outstanding bonds, and the issuance of such refunding bonds. Such expenses may include the amount necessary for the payment of interest upon such refunding bonds from the date of delivery thereof to the date upon which the principal of the outstanding bonds to be refunded will be paid whether at maturity or pursuant to a call for redemption thereof, or pursuant to agreement with the holders thereof, plus in any case the amount of the premium, if any, required to be paid in order to call or retire such outstanding bonds.”

SECTION 6. Nothing in this act shall be construed as altering or impairing any obligations under any existing instrument evidencing indebtedness or any outstanding loan agreement or bond indenture, nor shall this act be construed as altering the rights of the holders of any outstanding revenue bonds heretofore issued under the authority of this part, except as such alteration may have been provided or permitted by the terms and conditions of the resolution, loan agreement, bond indenture, or instrument evidencing such indebtedness, or except as such alteration may be consented to by the parties in interest thereto.

SECTION 7. This Act shall take effect upon its approval.

(Approved May 29, 1959.) **H.B. 1614.**

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**ACT 191**

An Act Creating the Office of Revisor of Statutes; Providing for the Publication of the Laws of Hawaii, and for the Continuous Revision of the Statute Laws of Hawaii; and Making an Appropriation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1. Office of revisor of statutes created.** There shall be created, the office of revisor of statutes, which shall consist of a revisor and such technical, clerical and stenographic personnel as necessary to expeditiously and efficiently discharge the duties imposed by this Act.

**SECTION 2. Appointment of personnel; qualifications; salary.** In connection with the operation of the office of revisor of statutes, the Supreme Court of Hawaii shall select as revisor of statutes a duly qualified person. The revisor shall have direct supervision and control of the office. The revisor, with the approval of the Supreme Court, may select an assistant revisor, who shall have the same qualifications as the revisor. The revisor, with similar approval, shall also select other technical, clerical and stenographic assistants as may be necessary.

The revisor and assistant revisor shall not be subject to the civil service and compensation laws. The revisor's salary shall be set by the Supreme Court of Hawaii and shall not be less than \$9,000 nor more than \$14,000 per annum. The salary of the assistant revisor shall be set by the revisor with the approval of the Supreme Court and shall not exceed a sum equal to 90 per cent of the salary of the revisor.

**SECTION 3. Revisor's duties.** The duties of the revisor, in the order of their priority, shall be (a) the publication of the session laws; (b) the publication of supplements to the revised laws; (c) the review of annotations to the revised laws; (d) the continuous revision of the statute laws of Hawaii; and (e) such other related duties as may be assigned by the Supreme Court.

**SECTION 4. Publishing of Session laws.** As soon as possible after the close of each session of the legislature, the revisor shall prepare for publication all laws duly enacted at such session, arranged, first the bills and then joint resolutions, in the order of their becoming law, together with a suitable index and tables showing what general statutes have been affected by such session laws.

**SECTION 5. Publication of supplements.** As soon as possible after the close of each general session of the legislature, the revisor, subject to section 6 hereof, shall prepare for publication a cumulative supplement to the last revision of the laws of Hawaii. Such cumulative supplement shall be completely indexed and contain all laws of a general and permanent nature enacted at any session of the legislature subsequent to the last revision of the laws and not included therein. The material in such supplement shall be arranged in the same order as like material is arranged in the last revision and shall show all sections repealed or

amended, and shall be annotated to decisions and opinions subsequent to those included in the last revision.

**SECTION 6. Supplements; extent of revision; prima facie the law.** In preparing the supplements, the revisor may (a) number and renumber chapters, sections and parts of sections, (b) rearrange sections, (c) change reference numbers to agree with renumbered chapters, parts or sections, (d) substitute the proper section or chapter numbers for the terms "the preceding section," "this act" and like terms, (e) strike out figures where they are merely a repetition of written words, (f) change capitalization for the purpose of uniformity, (g) correct manifest clerical or typographical errors, and (h) make such other changes in any act incorporated in the supplements as shall be necessary to conform the style thereof as near as may be with that of the last revision of the laws of Hawaii; provided that in making such revisions, he shall not alter the sense, meaning or effect of any act.

The matter set forth in the supplements shall be prima facie evidence of the law.

**SECTION 7. Printing; contracts.** The revisor shall cause sufficient copies of the session laws and supplements to be printed. The printing of such session laws and supplements shall be let under contracts pursuant to chapter 9, Revised Laws of Hawaii 1955; provided that all work under such contracts may be performed within or without Hawaii, or partly within and partly without Hawaii. The completed volumes of the session laws and supplements shall be delivered to the secretary of Hawaii for distribution.

**SECTION 8. Sale and distribution.** The session laws and supplements shall be sold and distributed by the secretary of Hawaii at a price fixed by him. The money received therefor shall be paid into the territorial treasury to the credit of the general fund. The secretary may furnish the session laws and supplements to public officials for official use free of charge.

**SECTION 9. Review of annotations.** The revisor shall examine the annotations to the congressional acts and territorial statutes in the latest revised laws for the purpose of checking their accuracy and appropriateness and shall make the necessary corrections or other changes. The revised annotations, or appropriate parts thereof, when completed, shall be incorporated in the supplements to the revisions of the laws of the Territory.

**SECTION 10. Continuous statutory revision.** The revisor shall conduct a systematic and continuing study of the laws of Hawaii for the purpose of reducing their number and bulk, removing inconsistencies, redundancies and unnecessary repetitions and otherwise improving their clarity. For such purpose the revisor shall:

(a) Prepare and submit to the legislature, prior to each general session thereof, a report as to defects in the laws and statutes of Hawaii, and draft in the form of bills and resolutions proposed legislation to carry out the recommendations contained in the report;

(b) Prepare for submission to the legislature, from time to time, a rewriting and revision, either complete, partial or topical of the laws of Hawaii.

## ACT 192

**SECTION 11. Appropriation.** Out of the general revenues not otherwise appropriated, there is hereby appropriated to the office of revisor of statutes the sum of \$55,300, or so much thereof as may be necessary, for the purposes of this Act between its effective date and June 30, 1961. Furthermore, the remaining balance of the sum of \$30,000 appropriated to the office of the secretary of Hawaii by item 28, section 1, Act 147 of the Session Laws of Hawaii 1957 for printing the session laws and the cumulative supplement is hereby reappropriated to the office of the revisor of statutes for the purposes of this Act. Should these appropriations prove to be insufficient, the office of revisor of statutes shall request a supplemental appropriation from the state legislature.

**SECTION 12.** Section 1-2, 1-4, 1-5 Revised Laws of Hawaii 1955 are hereby repealed.

**SECTION 13.** This Act shall take effect upon its approval.

(Approved May 29, 1959.) **S.B. 512.**

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## ACT 192

An Act Making an Appropriation for the Purpose of Defraying Expenses for the Promotion of the Annual Conference of the National Guard Association of the United States in Hawaii in 1960.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** There is hereby appropriated out of the general revenues of the Territory, not otherwise appropriated, the sum of Fifteen Thousand Dollars (\$15,000), or so much thereof as may be necessary, for the purpose of defraying expenses for the promotion of the Annual Conference of the National Guard Association of the United States at Honolulu in October, 1960.

**SECTION 2.** The moneys hereby appropriated shall be expended upon warrants issued by the comptroller of the Territory upon vouchers approved by the Military Department of the Territory.

**SECTION 3.** Any proceeds derived from the Annual Conference of the National Guard Association of the United States at Honolulu in October, 1960 shall be first used to reimburse the general fund of the Territory up to the amounts appropriated herein and expended therefor.

**SECTION 4.** This Act shall take effect upon its approval.

(Approved May 29, 1959.) **S.B. 808.**

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## ACT 193

An Act Relating to Absentee Voting and Amending Chapter 11, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Section 11-139 Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) by amending the first sentence thereof to read as follows:

"Any person who may be entitled to vote by absentee ballot as provided by section 11-138 may, not more than sixty days, nor less than five days if within the Territory of Hawaii, nor less than ten days if outside the limits of the Territory, prior to the date of the election, except in the cases covered by sections 11-58, 11-130, 11-133 and 11-134, request of the county clerk in person or in writing an absentee ballot to be voted at the election."

(b) by adding at the end thereof, the following:

"Such request, when made for any primary election, may include an additional request for an absentee ballot to be voted at any election immediately following such primary, provided, such person so indicates in his request and gives reason therefor to the satisfaction of the county clerk."

SECTION 2. Section 11-140 Revised Laws of Hawaii 1955 is hereby amended by adding "or a full time student at any institution of learning" after the words "military service" in the third line thereof.

SECTION 3. Section 11-141 Revised Laws of Hawaii 1955 is hereby amended by deleting the commas, figures and word " , 11-143 and 11-144," as the same appear in lines two and three thereof and by substituting the word "and" for the comma between the figures "11-133" and "11-140" as the same appear in line two thereof.

SECTION 4. Section 11-143 Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 11-143. Ballot envelope; instructions; covering reply envelope.** The county clerk shall fold the absentee ballot in the manner specified by law for folding a ballot prior to its deposit in the ballot box, and he shall enclose such ballot in an unsealed ballot envelope to be furnished by him and which shall be in such form as prescribed by the secretary of the Territory. In addition, the county clerk shall prepare printed instructions regarding the manner of marking and returning the absentee ballot in order that it may be counted, and shall furnish a copy of the printed instructions and information setting forth the precinct and district in which the voter is entitled to vote, and a covering reply envelope which shall bear upon the face thereof the name, official title and post office address of the county clerk and, in the lower left corner, the words 'Absentee Ballot Enclosed'."

SECTION 5. Section 11-144 Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 11-144. Marking and return of ballot; voting by absentee voter at polls prohibited.** The absentee voter shall mark the ballot in such manner that no person can see or know how the ballot is marked and refold the ballot in the same folds it was received and deposit same in the ballot envelope and securely seal the same. The voter shall then complete and subscribe to the statement on the ballot envelope. The ballot envelope shall then be enclosed and sealed in the covering reply envelope and shall be mailed or delivered to reach the county clerk issuing the absentee ballot not later than the established closing hour of business on the day before election.

No person having voted an absentee ballot pursuant to this section shall be entitled to cast a ballot at the polls on election day."

SECTION 6. Section 11-145 Revised Laws of Hawaii 1955 is hereby amended by deleting the word "affidavit" as the same appears in line 6 and

by substituting in lieu thereof the word "statement", and by amending the paragraph to read as follows:

"In case the statement is found to be insufficient or in case the signatures do not correspond, or in case the voter has not complied with the requirements of section 11-140, or is not a duly qualified elector or the ballot envelope is open or has been opened and resealed, the ballot envelope shall not be opened and the county clerk shall mark across its face 'Rejected', giving the reason therefor, and shall preserve the same in the manner provided by law."

SECTION 7. This Act shall take effect upon its approval.

(Approved May 29, 1959.) **S.B. 1056.**

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## ACT 194

An Act Relating to the Coverage of Certain Officers and Employees of the Territory and Local Governments under the Old Age and Survivors Insurance Provisions of Title II of the Federal Social Security Act, as Amended, Amending Part VI of Chapter 6 of the Revised Laws of Hawaii 1955, as Amended by the Addition of a New Section Thereto, and by Amending Section 6-191(d), and Making an Appropriation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Part VI of chapter 6, Revised Laws of Hawaii 1955, as amended by Act 284, Session Laws of Hawaii 1957, is hereby amended by adding thereto a new section, to be numbered and to read as follows:

"Sec. 6-191.6. The territorial agency may enter into such modification or modifications to the agreement as may be necessary to transfer members of the part of a divided retirement system which is composed of the members of the system who have not expressed a desire for coverage under the Social Security Act to the part of such system which is composed of the members who have expressed a desire for such coverage in accordance with section 218(d)(6)(F) of the Social Security Act."

SECTION 2. Section 6-191(d), Revised Laws of Hawaii 1955, is hereby amended by adding the following language after the semicolon at the end of said section:

"provided that, except for purposes of paragraph (f) of said section, services of territorial employees may be covered under the agreement at such times, as members of such coverage group or groups (as defined in sec. 218(b)(5) of the Social Security Act), and with such optional exclusions (as permitted by sec. 218(c) of the Social Security Act, including sec. 218(c)(3) (C) thereof) as may be decided upon by the territorial agency with the approval of the governor, as evidenced by his approval of the pertinent agreement or modification thereto;"

SECTION 3. There is hereby appropriated the sum of \$5,000 out of the general revenues of the Territory not otherwise appropriated, to be expended by the Employees' Retirement System for the administrative costs of implementing the provisions of this Act.

SECTION 4. This Act shall take effect upon approval.

(Approved May 29, 1959.) **S.B. 1268.**

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**ACT 195**

An Act Authorizing Karen A. Ueki to Sue the Territory of Hawaii for Injuries Suffered by Her Which Were Allegedly Caused by the Negligence of the Territory or of Its Officers, Employees or Agents.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Karen A. Ueki is hereby authorized to sue the Territory of Hawaii in an appropriate territorial court to recover damages which are allegedly due to the negligence of the Territory or of its officers, employees or agents, For the purpose of this Act and the adjudication of any such claim, the immunity of the Territory to suit is hereby waived, and said Karen A. Ueki may proceed against the Territory in the pending action against the Territory or in any subsequent action, as in the case of any other defendant, subject to the same procedures and defenses except for the defense of immunity from suit and except that the statute of limitations shall be deemed to run from and after the effective date of this Act or from the filing date of such pending action, whichever is earlier; provided, that nothing herein contained shall be construed as an admission of liability on the part of the Territory.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 29, 1959.) **S.B. 1406.**

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**ACT 196**

An Act Relating to the Compensation of Managers of Public School Cafeterias.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 38-37, Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the first sentence thereof to read as follows:

“All cafeteria managers employed in the department shall be employed under the provisions of chapter 3 and shall have their salaries fixed in accordance with chapter 4, and the monthly rates of basic compensation so determined shall be payable over a twelve-month period without proration or deduction for periods when school is not in session.”

SECTION 2. There is hereby appropriated out of the general revenues of the Territory, not otherwise appropriated, the sum of \$218,542, or so much thereof as may be necessary, to the department of public instruction to pay such increases in the compensation of cafeteria managers as provided in this Act, including employees' retirement system contributions, for the biennium beginning July 1, 1959. Such funds shall be expended by the department of public instruction in the same manner as funds appropriated for it in the general fund.

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SECTION 3. This Act shall take effect upon its approval; provided, that the provisions of Section 1 of this Act shall not take effect until September 1, 1959.

(Approved May 29, 1959.) S.B. 122.

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ACT 197

An Act Relating to Office Hours of Public Offices and Hours of Work of Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 5-70 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 5-70. Office hours and hours of work of officers and employees.** All offices of the Territory and counties and independent boards and commissions thereof shall open continuously for the transaction of public business between the hours of 7:45 a.m. and 4:30 p.m., Monday to Friday, inclusive. Offices shall be closed on Saturday, except those which public convenience require shall remain open from 8:00 a.m. to noon on Saturday. Offices open on Saturday may be staffed with a skeleton force. A lunch period of forty-five minutes shall be allowed all governmental personnel, which shall not constitute working time under the provisions of this section.

Except as otherwise provided in this section, the normal work week of all government personnel shall be forty hours. The normal work week shall be applicable to all such personnel, irrespective of whether their work is performed during the hours specified for offices. Per diem employees may be employed on Saturday to make up working time lost during the week, but such employment shall not exceed eight hours except in emergencies.

The normal work week may be exceeded in cases of emergency or when it is not reasonably practicable to recruit an adequate number of competent persons for a particular department or subdivision.

Two hundred eighty-eight hours of actual service for twenty-eight days shall constitute the maximum number of hours for the firefighting members of the fire departments of the political subdivisions of the Territory, with the number of hours of each day's work to be fixed from time to time by the heads of those particular organizations or departments."

SECTION 2. Sections 5-73 and 5-74 are hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 29, 1959.) S.B. 125.

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ACT 198

An Act Relating to the Recordation of Chattel Mortgages.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 343-52 Revised Laws of Hawaii 1955 is hereby amended by inserting the words "other than growing crops" after the words "personal property" in line 7 thereof.



SECTION 2. This Act shall take effect upon its approval.  
(Approved May 30, 1959.) **S.B. 377.**

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**ACT 199**

An Act Relating to Collection of Accounts of Hospitals of the County of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The title of part V of Chapter 146 is hereby amended to read "HAWAII HOSPITALS".

SECTION 2. The second sentence of section 146-64, Revised Laws of Hawaii 1955 is hereby deleted.

SECTION 3. Chapter 146, Revised Laws of Hawaii 1955, is further amended by the addition of a new section to read as follows:

**"Sec. 146-65. Collection of Accounts.** The managing committee of Puumaile and Hilo Memorial Hospital and all hospitals owned or operated by the County of Hawaii may hire private collectors to handle the collection of delinquent accounts or other monies found to be owing to the managing committee, the Puumaile and Hilo Memorial Hospital, or to any hospital owned or operated by the county."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 391.**

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**ACT 200**

An Act Relating to Public Employment.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 5 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new section to be appropriately numbered and to read as follows:

**"Sec. . Age limit.** No person who has attained the age of seventy years shall be employed by the Territory or any county, whether by appointment or contract, except when no one else is available and then for no longer than periods of six months at a time."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. '398.**

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**ACT 201**

An Act Relating to the Circuit Court of the Third Circuit of the Territory of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 215-10 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the word "Kailua" in line fifteen and

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substituting the word "Kona", and by deleting the word "North" in line sixteen.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) S.B. 634.

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ACT 202

An Act Relating to Nonprofit Corporations and Amending Chapter 172, Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 172-16, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

**"Section 172-16. Nonprofit corporations; charter grant of.** The treasurer, by and with the consent of the governor, shall grant to all applicants who file petitions in conformity with the provisions of section 172-17, charters of incorporation for the establishment and conduct of any lawful purpose, except the carrying on of a business, trade, avocation or profession for profit. Any charter granted or corporation created under authority of this section shall be subject to all general laws enacted in regard to corporations, and shall file with the treasurer within thirty days after adoption a certified copy of its bylaws, and any amendments or changes therein, and shall also file from time to time, whenever changes occur, the names and addresses of the officers of the corporation."

SECTION 2. Section 172-17, Revised Laws of Hawaii 1955, as amended by Act 186, Session Laws of Hawaii 1957, is hereby amended to read as follows:

**"Section 172-17. Petition for charter; contents of charter.** Any number of persons not less than three, a majority of whom are residents of the Territory, desiring to obtain a charter of incorporation for the purposes set forth in section 172-16, shall sign, verify and file a petition with the treasurer. The petition shall be accompanied by the proposed form of charter of incorporation which shall contain the following particulars:

- (a) The name of the corporation;
- (b) The location of the proposed corporation and the specific address of its initial office;
- (c) The purpose or purposes for which the corporation is organized;
- (d) The period of duration, which may be perpetual;
- (e) The number, names and residence addresses of the initial officers and directors, or similar officers;
- (f) Any provision, not inconsistent with law, which the petitioners elect to set forth in the charter of incorporation for the regulation of the internal affairs of the corporation, including any provision for the distribution of assets on dissolution or final liquidation;
- (g) That the corporation is not organized for profit and that it will not issue any stock, and no part of its assets, income or earnings shall be distributed to its members, directors, or officers, except for services actually rendered to the corporation, and except upon liquidation of its property in case of corporate dissolution.

It shall not be necessary to set forth in the proposed charter any of the powers enumerated in section 172-23. If the petition or the proposed charter presented to the treasurer is not in conformity with the requirements of this section, the treasurer shall, within fifteen days, return the same to the petitioners specifying where in the same fails to conform with this section and the petitioners may amend the petition and present the same so amended."

SECTION 3. Section 172-18, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

**"Section 172-18. Powers prohibited for nonprofit corporations.** No corporation shall have or issue shares of stock and no dividends shall be paid and no part of its income of a corporation shall be distributed to its members, directors, or officers, except upon the liquidation of the property of a corporation in case of corporate dissolution. A corporation may pay compensation in a reasonable amount to its members, directors, or officers for services rendered, and may confer benefits upon its members in conformity with its purposes. No loans shall be made by a corporation to its directors or officers. The directors of a corporation who vote for or assent to the making of a loan to a director or officer of the corporation, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof."

SECTION 4. Section 172-19, Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the phrase "by and with the consent of the governor" appearing in the last line of the first paragraph of this section.

SECTION 5. Section 172-20, Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the phrase "by and with the consent of the governor" from paragraph (c).

SECTION 6. This Act shall take effect upon its approval, or, if at the time of its approval the consent of the Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the legislature of the State of Hawaii.

(Approved May 30, 1959.) **S.B. 641.**

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## ACT 203

An Act Relating to Corporations and Amending Chapter 172 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 172-26 Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 172-26. Charitable donations, pensions, by corporation.** (a) At any duly called meeting of the stockholders of a corporation organized under the laws of the Territory, donations for charitable purposes or to eleemosynary institutions, pensions to retired or disabled employees or to their dependents, or severance allowances may be authorized by the affirmative vote of the holders of a majority of the stock of any such corporation, present in

person or by proxy at such meeting, whether such corporation is continuing in business or is being dissolved. Nothing herein shall be deemed to limit any powers otherwise conferred upon or existing in the stockholders or directors of the corporation.

(b) Nothing contained in paragraph (a) of this section shall affect the validity of any such action taken prior to May 14, 1947, by any such corporation."

SECTION 2. Chapter 172 Revised Laws of Hawaii 1955, is hereby amended by adding immediately following section 172-30 a new section thereto to read as follows:

**"Sec. 172-31. Accounts and records.** Every corporation shall keep correct and complete books and records of account and shall keep and maintain at its principal offices, or such other place as its board of directors may order, minutes of the proceedings of its members or shareholders and board of directors. Such books and records of account shall include accounts of the corporations' assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus. Such minutes of the proceedings of the shareholders or members and board of directors of the corporation shall show, as to each meeting of the shareholders, members or the board of directors, the time and place thereof, whether regular or special, whether notice thereof was given, and if so in what manner, the names of those present at directors' meetings, the number of shares or members present or represented at stockholders' or membership meetings, and the proceedings of each such meeting."

SECTION 3. The second and third sentences of section 172-40 Revised Laws of Hawaii 1955 are hereby amended to read as follows:

"The book shall be open at all reasonable times for the inspection of the stockholders. It shall be the duty of the secretary or the person having the charge thereof to give a certified transcript of anything therein contained to any such stockholder applying therefor provided that any such stockholder shall pay a reasonable charge for the preparation of such certified transcript."

SECTION 4. Section 172-41 Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 172-41. Certificate; form.** Every certificate of stock hereafter issued by any corporation shall plainly state: (a) the name of the record holder of the shares represented thereby; (b) the number, designation, if any, and class or series of shares represented thereby; (c) the par value, if any, of the shares represented thereby, or a statement that the shares are without par value; (d) if the corporation has issued shares of preferred stock in addition to shares of common stock, a summary of the preferences, voting powers, restrictions and qualifications of the preferred stock or a statement of the place or places where such information may be obtained."

SECTION 5. Chapter 172 Revised Laws of Hawaii 1955, is hereby amended by adding a new section thereto to read as follows:

**"Sec. 172-41.1. Issuance of certificates of stock for fully paid and for partly paid shares.** (a) A certificate of stock shall not be issued until the shares represented thereby have been fully paid for; provided, however, that any corporation may provide in its by-laws for issuing certificates prior to

full payment therefor, under such restrictions as its by-laws may provide with respect to the transfer of such partly paid shares on the books of the corporation, and in such case the certificates shall state the amount remaining unpaid.

(b) Nothing contained in paragraph (a) of this section shall affect the validity of any certificate of stock issued prior to the effective date hereof by any corporation."

SECTION 6. Section 172-42 Revised Laws of Hawaii 1955, is hereby amended by deleting the phrase "by a transfer agent and by a registrar" in the ninth and tenth lines thereof and substituting therefor the phrase "by a transfer agent or by a registrar."

SECTION 7. Section 172-45 Revised Laws of Hawaii 1955 is hereby amended by deleting the words "three-fourths" in the eighth, tenth, sixteenth and eighteenth lines thereof and substituting therefor in each case the words "two-thirds".

SECTION 8. Section 172-51 Revised Laws of Hawaii 1955, is hereby amended by deleting the words "three-fourths" in the ninth and eleventh lines thereof and substituting therefor in each case the words "two-thirds".

SECTION 9. Section 172-52 Revised Laws of Hawaii 1955, is hereby amended by amending subparagraph (b) thereof by deleting the words "three-fourths" in the third, fourth and seventh lines of said subparagraph (b) and substituting therefor in each case the words "two-thirds".

SECTION 10. Chapter 172 Revised Laws of Hawaii 1955, is hereby amended by adding a new section thereto to read as follows:

**"Sec. 172-93.1. Voting agreements and voting trusts.** (a) Two or more persons owning stock in any corporation for profit organized under the laws of the Territory of Hawaii, including persons owning stock as trustees for another, may enter into a written agreement for the purpose of vesting in one or more persons, as trustee or trustees, the authority to exercise the voting power of any or all of such stock for a period not exceeding ten years and upon the terms and conditions stated in the agreement. Any such agreement may provide for the method of appointment or election of the trustee or trustees and may designate a successor trustee or successor trustees. The trustee or trustees may vote in person or by proxy unless otherwise provided in any such agreement. Any action by the trustee or trustees contrary to the terms and conditions of any such agreement shall not affect the validity of any election, resolution or other action of the stockholders of such corporation and the sole remedy in any such case shall be against the defaulting trustee or trustees. All such agreements shall be recorded in the Minute Book of the corporation. Each stock certificate representing stock which is subject to any such agreement shall be delivered to the secretary of the corporation who shall note on each such certificate—

'This certificate, subject to the provisions of a voting agreement dated ..... recorded in the Minute Book of this corporation.

.....  
Secretary.'

Such endorsement shall constitute sufficient notice of the existence of the agreement and any purchaser acquiring any stock certificate with the above notation thereon shall be bound by the terms of the agreement. The secretary of the corporation, upon production of satisfactory proof of the cancellation of the agreement or upon the expiration of any agreement by its own terms, shall make an appropriate notation in the Minute Book and upon any stock certificate subject to the cancelled or expired agreement indicating such cancellation or expiration, or shall issue, upon request and upon surrender of the original certificate, a substitute certificate and shall cancel such original certificate. Any trustee or trustees under the terms of any agreement entered into under the provisions of this paragraph (a) shall not acquire the legal title to the stock subject to any such agreement but shall be vested only with the legal right and title to the voting power which is incident to the ownership of the stock.

(b) Two or more persons owning stock in any corporation for profit organized under the laws of the Territory of Hawaii, including persons owning stock as trustees for another, may transfer any or all of such stock to any person or persons for the purpose of vesting in such person or persons, as trustee or trustees, all voting or other rights pertaining to such stock for a period not exceeding ten years and upon the terms and conditions stated in the agreement. Any such agreement may provide for the method of appointment or election of the trustee or trustees and may designate a successor trustee or successor trustees. The trustee or trustees may vote in person or by proxy unless otherwise provided in any such agreement. Any action by the trustee or trustees contrary to the terms and conditions of any such agreement shall not affect the validity of any election, resolution or other action of the stockholders of such corporation and the sole remedy in any such case shall be against the defaulting trustee or trustees. All such agreements shall be recorded in the Minute Book of the corporation. The certificates of stock so transferred shall be surrendered and cancelled and new certificates therefor issued to such person or persons as such trustee or trustees in which new certificates it shall appear that they are issued pursuant to the agreement. In the entry of transfer on the books of the corporation it shall also be noted that the transfer is made pursuant to the agreement. The trustee or trustees shall execute and deliver to the transferors voting trust certificates. Such voting trust certificates shall be transferable in the same manner and with the same effect as certificates of stock under the provisions of Revised Laws of Hawaii 1955 Chapter 172, Part IV. The trustee or trustees shall possess all voting and other rights pertaining to the stock so transferred and registered in his or their names subject to the terms and conditions of, and for the period specified in the agreement.

(c) Nothing contained in this section shall affect the validity of any agreements entered into prior to the effective date hereof."

SECTION 11. Section 172-116 Revised Laws of Hawaii, 1955, is hereby amended to read as follows:

**"Sec. 172-116. Non-profit corporations, exhibits of.** Every non-profit corporation shall annually present a full and accurate exhibit of its affairs to the treasurer, which exhibit shall contain such information and be in such form as the treasurer shall require, and shall be made as of December 31st of each year, unless the corporation has adopted a fiscal year basis other than

the calendar year basis, in which event the corporation may, prior to the end of the calendar year, make application to the treasurer and be allowed by the treasurer to make its exhibit as of the end of its fiscal year. The exhibit shall be filed within ninety days after the date as of which the exhibit is to be made, or such further time not, however, to exceed ninety additional days, as the treasurer may allow."

SECTION 12. Section 172-130 Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 172-130. Voluntary dissolution; certificate; notice; authority of treasurer.** Any corporation wishing to dissolve itself at any time before the expiration of its charter or articles of association may file with the treasurer a certificate verified on oath by any two authorized officers of the corporation, or by the presiding officer and secretary of the stockholders' meeting at which the vote was taken, setting forth that the dissolution has been approved, at a meeting duly called for that purpose by the holders of not less than three-fourths of all of the stock of such corporation issued and outstanding and having voting powers, or in the case of a nonstock corporation, by the vote of not less than three-fourths of the members present at the meeting. The articles of association or charter may require the authorization or approval of a larger proportion of the stockholders or members or the separate authorization or approval of three-fourths or a larger proportion of any class or classes of stockholders or members, and in such case the authorization or approval of such larger proportion of stockholders or members or of such class or classes shall be required as provided in such articles of association or charter. If the corporation has not engaged in any business since its incorporation and no debts of the corporation remain unpaid or undischarged and all amounts, if any, paid in on subscriptions, less any amount thereof disbursed for necessary expenses, have been returned to the subscribers, the certificate shall so state.

Notice. In order to secure the attendance or representation by proxy of shareholders holding a sufficient number of shares or of members at the meeting called for the purpose of approving the proposed dissolution of the corporation, due and diligent search for shareholders or members may be made by mailing the notice of the meeting by registered or certified mail to each stockholder or member at his last address of record on the books of the corporation, and by publishing notice of the meeting in some newspaper of general circulation published in the Territory at least once in each of two successive weeks (two publications) naming each shareholder or member of the corporation, and after such mailing and publication each shareholder or member who fails to attend the meeting or fails to acknowledge the notice shall be deemed to have approved at the meeting the dissolution of the corporation.

Treasurer's action. Upon the filing of a certificate in compliance with this section, the treasurer shall issue and enter of record in his office a decree of dissolution decreeing that the corporation is then dissolved, unless the corporation has requested that the dissolution be as of the date of filing of the certificate or as of some subsequent date, in which case the dissolution shall become effective on or as of the date requested. Upon the issuance of the decree of dissolution, the corporation shall cease to exist and all powers theretofore held by the corporation shall vest in the trustee or trustees, if any, appointed pursuant to section 172-132. The treasurer shall in each

case deliver a copy of the decree of dissolution to the tax commissioner of the Territory and the treasurer of each county and city and county."

SECTION 13. Section 172-131 Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 172-131. Involuntary; ordered by treasurer and certification, notice, etc.** If any corporation has failed or neglected, for a period of two years, to file an annual exhibit as required by law; or if any corporation ceases to have any assets and fails to function as shown by the certificate, under oath, of any officer or director of the corporation; or if the charter or articles of association of the corporation have expired and, within a period of two years, no application for renewal of the same has been filed in accordance with the provisions of this chapter; or if any corporation has been adjudicated a bankrupt as shown by a certified copy of a judgment or decree of a bankruptcy court, filed in the office of the treasurer, and has no assets as shown by a certificate to that effect verified on oath by any authorized officer or director of the corporation, the treasurer may in any such event disincorporate the corporation or annul the articles of association or charter of the corporation and declare the same dissolved, after giving notice of his intention to dissolve such corporation by mailing to such corporation at its last known address appearing in the records of the treasurer's office and by publishing notice of such intention once in each of three successive weeks (three publications) in some newspaper of general circulation published in the Territory. In the event of any such corporation being declared dissolved any trustee appointed to settle the affairs of the corporation shall pay to the Territory out of any funds that may come into his hands as such trustee a sum equal to any penalty imposed under the provisions of section 172-115."

SECTION 14. Section 172-132 Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 172-132. Proceedings after dissolution; appointment of trustees.** Upon the voluntary dissolution of any corporation, the treasurer shall appoint a trustee or trustees with full powers to settle the affairs of the corporation, unless the certificate filed pursuant to section 172-130 shall have stated that the corporation has not engaged in any business since incorporation, that no debts of the corporation remain unpaid or undischarged, and that all amounts, if any, paid in on subscriptions, less any amounts disbursed for necessary expenses, have been returned to the subscribers.

Upon the involuntary dissolution of the corporation, the treasurer shall appoint a trustee or trustees in dissolution with full powers to settle its affairs unless there shall have been filed in the office of the treasurer a certified copy of a judgment or decree of a bankruptcy court adjudicating such corporation a bankrupt and a certificate verified by any authorized officer or director of such corporation to the effect that such corporation has no assets, or a certificate, under oath, of any officer or director of the corporation, showing that the corporation has ceased to have any assets and failed to function."

SECTION 15. Section 172-133 Revised Laws of Hawaii 1955, is hereby amended by adding thereto the words "or members" to follow immediately after the word "stockholders" in the seventh line thereof; by adding the phrase "(or members if under the charter of the corporation they are entitled thereto)" to follow immediately after the word "stockholders" in the nineteenth line of the second paragraph thereof; and by adding the phrase "or



members if under the charter of such corporation the members shall be entitled to a distribution of the remaining property of the corporation" to follow immediately after the word "stockholders" in the twenty-second line of the second paragraph thereof.

SECTION 16. Section 172-134 Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new paragraph to read as follows:

"If any claim shall be proven against a corporation that has been dissolved voluntarily and for the creditors and stockholders of which no trustee has been appointed because the certificate filed pursuant to section 172-130 states that the corporation has not engaged in business since its incorporation, that no debts of the corporation remain unpaid or undischarged, and that the amounts, if any, paid in on subscriptions, less any amounts disbursed for necessary expenses, have been returned to the subscribers, the officers of such corporation who signed such certificate shall be jointly and severally liable upon such claim."

SECTION 17. Section 172-134 Revised Laws of Hawaii 1955, is hereby amended by adding thereto immediately following the word "stockholders" in the sixth line of the second paragraph thereof the phrase "(or members if under the charter of the corporation the members are entitled to distribution of the assets)"; by adding thereto immediately following the word "itemized" in the seventh line of the second paragraph thereof the word "final"; by adding thereto immediately following the word "account" in the seventh line of the second paragraph thereof the phrase "(which shall be clearly designated as such)"; by adding thereto immediately following the word "stockholder" in the nineteenth line of the second paragraph thereof the word "member"; and by adding thereto immediately following the word "stockholder" in the second line of the third paragraph thereof the word "member".

SECTION 18. Section 172-134 Revised Laws of Hawaii 1955, is hereby amended by amending the first sentence of the fourth paragraph thereof to read as follows:

"The trustees for dissolved corporations shall, in the absence of a contract or agreement entered into by the trustees providing for a greater or lesser amount, be entitled to fees and commissions in the amount of one per cent (1%) of the value of the assets of the corporation as shown on its books at the date of its dissolution, one per cent (1%) of the value as shown on the books of the trustees of all money and assets finally distributed to the stockholders or members, two and one-half per cent (2½%) of the value as shown on the books of the trustees of all moneys and assets paid or distributed to creditors prior to final distribution of the assets to the stockholders or members, and, in addition thereto, out of any income received by such trustees during each year of the trusteeship, seven per cent (7%) of the first \$5,000 and five per cent (5%) of all amounts in excess of \$5,000."

SECTION 19. Section 172-134 Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new paragraph to precede immediately the last paragraph thereof and to read as follows:

"Upon the filing of an itemized final account pursuant to this section, the power and authority of the trustee or trustees to receive or, except as hereinafter provided, to retain or in any manner deal with any property or assets of the corporation shall cease and determine. The trustee or trustees of

every dissolved corporation shall safely keep and retain all of the corporate books, records and papers for a period of ten years from and after the date of filing of the trustee's or trustees' itemized account as required by this section, and no trustee or trustees shall incur any liability whatsoever for destroying such books, records and papers after the expiration of such ten-year period."

SECTION 20. Section 172-135 Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 172-135. Witnesses and documents subpoenaed; contempt proceedings.** Upon any application of any trustee or trustees for the creditors, stockholders or members of any involuntarily dissolved corporation for the purpose of discovering any assets, moneys, books, records or papers of any such corporation, the treasurer may subpoena witness or documentary evidence, administer oaths and examine under oath any individual relative to the affairs of any such corporation. The subpoena shall have the same force and effect and shall be served in the same manner as if issued from a court of record. Witness fees and mileage claims shall be allowed the same as for testimony in a court of record. Witness fees, mileage and actual expenses necessarily incurred in securing and attendance of witnesses and of testimony or the production of documentary evidence shall be itemized and shall be paid out of the assets of the dissolved corporation. If any individual fails to obey the subpoena or obeys the subpoena and refuses to testify when required concerning the matter under investigation, the treasurer shall file his written report thereof and proof of service of his subpoena in the circuit court for the circuit where the examination is being conducted. Thereupon the court shall forthwith cause the individual to be brought before it to show cause why he should not be held in contempt; and if so held, may punish him as if the failure or refusal related to a subpoena from or testimony in that court."

SECTION 21. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 774.**

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## ACT 204

An Act Relating to Enforcement of Lien on Personal Property for Work Done and Materials Furnished and Amending Section 193-26 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The first sentence of section 193-26 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Notwithstanding the provisions of sections 193-21 to 193-25, inclusive, in the event the reasonable charges for the work done and materials furnished do not exceed \$50, the holder of any lien provided for in section 193-21 may, in lieu of obtaining judgment and execution upon the property so held by him, sell the article of personal property upon which the alterations or repairs have been made in the manner hereinafter set forth and apply the proceeds of the sale in satisfaction of the reasonable charges for the work done and materials furnished; provided, that the article shall have been unclaimed for at least six months."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 848.**

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**ACT 205**

An Act to Provide for the Expansion of Credit Facilities in the Territory and Authorizing Participation Loans by Building and Loan Associations Under Regulation of the Federal Home Loan Bank Board.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 180 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be appropriately numbered and to read as follows:

**"Section 180- . Participation loans.** Nothing in the laws of the Territory shall prohibit any association from engaging in the participation of loan transactions under regulations adopted and supervised by the Federal Home Loan Bank Board, nor shall foreign insured associations purchasing participating interests in loans from associations in the Territory be deemed to be doing business in the Territory by reason of purchase, acquisition, holding, sale, assignment, transfer, servicing, and enforcement of obligations or any interest therein secured by real estate or leasehold mortgages covering real property or leasehold interests therein located in this Territory, or by reason of the foreclosure of such instruments, or by acquisition of title to such property by foreclosure or by deed in lieu of foreclosure, or otherwise, as a result of default under such mortgage, or by reason of the holding, protection, rental, maintenance and operation of property so acquired, or the disposition thereof, provided that such foreign associations shall not hold, own or operate said property for a period exceeding five years without securing the approval of the treasurer of the Territory. All income in respect of participating interests in loans purchased by foreign insured associations during the period of six years from and after the effective date of this section shall not be subject to any tax, license fee or charge payable to the Territory or any political subdivision thereof."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 1097.**

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**ACT 206**

An Act Relating to Liens on Public Works, Amending Section 193-20 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 193-20 Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new paragraph to read as follows:

"The terms 'labor' or 'furnishing of materials' or words of similar context as used in this section shall have the same meaning as those terms are defined in section 193-40."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 1282.**

**ACT 207**

An Act Relating to Intoxicating Liquor and Amending Section 159-94 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 159-94 Revised Laws of Hawaii 1955 is hereby amended by deleting the words "twenty-one" in line ten and substituting the words "forty-five".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 1411.**

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**ACT 208**

An Act Relating to the Making of a False Representation or Report of the Unlawful Use or Threatened Unlawful Use of Explosives, Providing a Penalty Therefor, and Amending Chapter 296 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 296 Revised Laws of Hawaii 1955 is hereby amended by adding a new section thereto to be appropriately numbered and to read as follows:

**"Sec. 296 . False representation or report of unlawful use or threatened unlawful use of explosives; penalty.** Any person who wilfully or knowingly, falsely represents to anyone the unlawful use or threatened unlawful use of dynamite or other explosive chemical or substance, knowing the same to be false, or who wilfully or knowingly makes a false report of the same to anyone, shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 1424.**

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**ACT 209**

An Act Relating to the Threatened Use of Explosives with the Intent to Injure, Providing a Penalty Therefor, and Amending Chapter 296 Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 296 Revised Laws of Hawaii 1955 is hereby amended by adding a new section thereto to be appropriately numbered and to read as follows:

**"Sec. 296 . Threatened use of explosives with intent to injure; penalty.** Any person who threatens to use dynamite or other explosive chemicals other than ammunition for firearms, with intent to use the same for the purpose of inflicting bodily injury upon, or to terrify or frighten any person, or to injure or destroy any other's property, or to

damage the same in any manner, shall be fined not more than \$1,000, or imprisoned not more than one year or both."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **S.B. 1425.**

## ACT 210

An Act Pertaining to Employment Relations and Amending Chapter 90 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 90-7 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting subsection "(c)" and substituting therefor a new subsection to read as follows:

"(c) To encourage or discourage membership in any labor organization by discrimination in regard to hiring, tenure or other terms or conditions of employment. An employer, however, may enter into an all-union agreement with the bargaining representative of his employees in a collective bargaining unit, unless the board has certified that at least a majority of such employees have voted to rescind the authority of their bargaining representative to negotiate such all-union agreement within one year preceding the date of such agreement. No employer shall justify any discrimination against any employee for non-membership in a labor organization if he has reasonable grounds for believing that: (1) such membership was not available to the employee on the same terms and conditions generally applicable to other members; (2) or that membership was denied or terminated for reasons other than the failure of the employee to tender periodic dues and the initiation fees uniformly required as a condition for acquiring or retaining membership."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 16.**

## ACT 211

An Act Relating to Teachers in the Public Schools of the Territory.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 38-32 of the Revised Laws of Hawaii 1955 is hereby amended by:

1. Amending the title thereof to read as follows:

"**Sec. 38-32.** Salary ratings of entering or re-entering teachers; credit for military service."

2. Adding thereto a second paragraph to read as follows:

"Any teacher who on or after December 7, 1941, served on active duty with the armed forces of the United States shall be given credit by the department for his military service in the determination of his salary, his eligibility for leaves of absence, and for all other purposes of seniority. Both re-entering and entering teachers shall have each

## ACT 212

year of their military service or six months thereof credited as a year of teaching experience; provided, that no more than four years of such credit for military service shall be allowed. Evidence of military service shall be by certificate as provided in section 5-48."

SECTION 2. In order to effect the provisions of this Act, there is hereby appropriated from the general revenues of the Territory, a sum of \$135,610 or so much thereof as may be necessary, to supplement the budget of the department of public instruction for the 1959-1961 biennium.

SECTION 3. This Act shall take effect upon its approval; provided, that teachers in the service of the department of public instruction prior to the effective date of this Act shall be given military service credit as provided in this Act and shall be reassigned higher salary ratings on the teachers' salary schedules as of the effective date of this Act.

(Approved May 30, 1959.) **H.B. 468.**

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## ACT 212

An Act to Amend Section 3-21 of the Revised Laws of Hawaii 1955, Relating to Probationary Service in the Civil Service.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsection (h) of section 3-21 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new paragraph to read as follows:

"In the event that an employee who is serving a temporary appointment subsequently becomes a probationary employee in the same position or a related position in the same class within the department in accordance with the rules and regulations of the commission, the period of service performed as a temporary appointee shall be subtracted from the period of probationary service required by this subsection, and the employee shall serve only the remaining period as a probationary employee, provided, however, that the employee shall have been hired initially from the appropriate eligible list, and that the temporary period of service shall have immediately preceded the change to probationary status. Any service in excess of the required probationary period shall not constitute tenure of employment as a regular employee for purposes of salary increments and longevity."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 501.**

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## ACT 213

An Act Making an Appropriation of \$26,500 for the Farm Loan Reserve Fund, and \$223,500 for the Farm Loan Revolving Fund.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The purpose of this bill is to replace from the general revenues or the general obligation bond fund of the Territory, certain

monies taken from the Farm Loan Reserve and Revolving Funds by legislative action in 1955.

SECTION 2. There is hereby appropriated out of the general revenues or general obligation bond fund not otherwise appropriated the sum of \$26,500, to be placed in the farm loan reserve fund, and the sum of \$223,500, to be placed in the farm loan revolving fund.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 878.**

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## ACT 214

An Act Amending Chapters 143 and 149 of the Revised Laws of Hawaii 1955, as Amended, and Relating to Redevelopment Plans and Zoning Regulations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 143-7 of the Revised Laws of Hawaii 1955 is hereby amended by amending the second and third paragraphs thereof to read as follows:

"The agency shall submit the redevelopment plan to the planning commission for study and approval thereof. The planning commission may approve, amend and approve, or disapprove such plan. If the planning commission disapproves the plan or amends the plan and such amendment is not approved by the agency, the agency may submit the plan as disapproved or amended to the board which may nevertheless approve or amend and approve the plan by resolution, but only by the affirmative vote of at least five of its members, after holding a public hearing and subject to the procedure set forth in the next paragraph.

"After the planning commission has approved a redevelopment plan, and upon acceptance thereof by the agency if amended, the agency shall submit the plan to the board which shall hold a public hearing thereon, after giving published notice thereof on three separate days, the first publication to be at least ten days before the date of such hearings, and may approve, amend and approve, or disapprove such plan, by resolution; provided, that the board shall not approve, or amend and approve, such plan unless it finds that the redevelopment project area is a blighted area within the urban limits of the county; and provided further, that any amendment made by the board must be accepted by the agency before final approval by the board. If the board approves a redevelopment plan, published notice of such approval shall be given by at least three publications and further proceedings with respect to the redevelopment project covered by the plan shall be stayed for a period of thirty days after the first publication of such notice. Actions, suits or proceedings to contest the validity of the proceedings prescribed by the foregoing provisions of this chapter or of the redevelopment plan shall be barred upon the expiration of the period of thirty days, and no action thereafter commenced shall raise any question concerning the validity of the proceedings provided by the foregoing provisions of this chapter or of the redevelopment plan, and in all actions, suits or proceedings commenced after the expiration of the period of thirty days, except as

## ACT 215

to matters affecting jurisdiction, the validity of the proceedings prescribed by the foregoing provisions of this chapter and of the plan shall be conclusively presumed. Upon the expiration of the thirty-day period, the agency may further proceed with the redevelopment project or projects covered by such redevelopment plan. Upon acquisition of the lands in the redevelopment project by the agency, such lands shall automatically be rezoned as to land use in conformance with provisions of the approved redevelopment plan."

SECTION 2. Section 149-197 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding the following new paragraph at the end thereof:

"Notwithstanding the foregoing, any ordinance or resolution regulating land use and affecting lands in a redevelopment project area shall be amended without the necessity of any of the aforesaid proceedings to conform to the approved redevelopment plan upon acquisition of said lands by the Honolulu Redevelopment Agency in accordance with section 143-7."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 983.**

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## ACT 215

An Act to Set the Compensation of the Supreme Court Justices and Circuit Court Judges of the State of Hawaii and Making Appropriations Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The compensation of the chief justice of the supreme court of the state of Hawaii shall be \$22,500 per year. The compensation of the associate justices of the supreme court of the state of Hawaii shall be \$22,000 per year.

SECTION 2. The compensation of the circuit court judges of the various circuit courts of the state of Hawaii shall be \$19,000 per year.

SECTION 3. The sum of \$59,000 or so much thereof as may be necessary is hereby appropriated for the general revenues of the Territory not otherwise appropriated for the purposes of this Act for the first fiscal year ending on June 30, 1961.

SECTION 4. This Act shall take effect upon its approval and shall apply to the first supreme court justice and associate justices and circuit court judges of the state of Hawaii.

(Approved May 30, 1959.) **H.B. 1035.**

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## ACT 216

An Act Relating to Reimbursement to the City and County of Honolulu Under Section 153-3 of the Revised Laws of Hawaii 1955 for the Cost of Sewer Improvements in the Various Improvement Districts



of the City and County of Honolulu and Making Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The sum of \$600 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as assessments on lands owned by the Waikiki-Kapahulu Japanese Language School for sewer improvements constructed within improvement district number 118, Date-Kapahulu sewers, in the district of Honolulu.

SECTION 2. The sum of \$1,350 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as assessments on lands owned by the Hawaiian Association of Seventh Day Adventists in the amount of \$900 and the First Community Church of Honolulu in the amount of \$450 for sewer improvements constructed within improvement district number 122, Wahiawa sewers, in the city and county of Honolulu.

SECTION 3. The sum of \$12,678.92 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as assessments on lands owned by the Roman Catholic Bishop of Honolulu for sewer improvements constructed within improvement district number 128, Kealaolu-Waialae sewers, in the district of Honolulu.

SECTION 4. The sum of \$14,628.92, hereby appropriated, shall be paid to the treasurer of the city and county of Honolulu by the treasurer of the Territory of Hawaii when and as requested by resolution of the board of supervisors of the city and county of Honolulu.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 1111.**

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## ACT 217

An Act Amending Act 386, Session Laws of Hawaii 1949, as Amended by Act 15, Session Laws of Hawaii 1953, Appropriating Moneys by Way of Advancement from the General Fund of the Territory to be Repaid Out of the Proceeds of the Sale of Public Lands in the County of Hawaii for Construction, Pavement and Improvement of Homestead Roads, County of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 1 of Act 386, Session Laws of Hawaii 1949, as amended by Act 15, Session Laws of Hawaii 1953, is hereby further amended by deleting the fourth paragraph thereof and substituting therefor the following:

ACT 218

"Hamakua:

Construction or reconstruction of Ahualoa Homestead Road from Lot 3, Grant 7190 towards Lot 11, Grant 8867 Hamakua, Hawaii. . \$20,000.00"

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 1125.**

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ACT 218

An Act to Amend Section 219-16.5 of the Revised Laws of Hawaii 1955, Relating to Attorney's Fees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 219-16.5 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 219-16.5. Attorney's fees when provided for in promissory notes etc.** Any other law to the contrary notwithstanding, where an action instituted in the district or circuit court on a promissory note or other contract in writing provides for an attorney's fee the following rates shall prevail and shall be awarded to the successful party, whether plaintiff or defendant: (a) where the note or other contract in writing provides for a fee of twenty-five per cent or more, or provides for a reasonable attorney's fee, twenty-five per cent shall be allowed; (b) where the note or other contract in writing provides for a rate less than twenty-five per cent, such specified rate shall be allowed; provided that the fee allowed in any of the above cases shall not exceed a sum of \$250 in the district courts and shall not exceed that which is deemed reasonable by the presiding judge of the circuit courts.

In the case of an open account accompanied by a promissory note or other contract in writing which provides for an attorney's fee which is in existence prior to the effective date of this act, the attorney's fee provided for in this section shall apply only to those purchases made from and after the effective date of this act. In all such open accounts, any payment made by the purchaser-debtor from and after the effective date of this act shall be first applied to the balance of the account, if any, which existed prior to the effective date of this act.

Any law to the contrary notwithstanding, no such attorney's fee shall be allowed to the plaintiff by any court: (a) if prior to or at the time the debt was incurred, the debtor did not sign an instrument in writing which provided for the payment of an attorney's fee; and (b) if prior to or at the time the debt was incurred, the debtor did sign an instrument in writing which provided for the payment of an attorney's fee and such instrument in writing contains within its principal amount any attorney's fee from a prior debt.

If any paragraph, sentence, clause or phrase of this Act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act."

SECTION 2. This Act shall take effect upon its approval; provided that it shall not apply to those promissory notes or other contracts in writing which were executed prior to the effective date of this Act.

(Approved May 30, 1959.) **H.B. 1204.**

ACT 219

An Act to Amend Section 160-98 of the Revised Laws of Hawaii 1955,  
Relating to Motor Vehicle Safety Responsibility.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 160-98 of the Revised Laws of Hawaii 1955,  
is hereby amended to read as follows:

**"Section 160-98. Proof of financial responsibility required upon conviction of certain offenses.** Whenever an operator's license has been suspended or revoked upon a conviction of any offense pursuant to law, or in the case of juveniles, upon being adjudged delinquent pursuant to law and whose license is suspended or revoked, such license shall not at any time thereafter be issued to the person whose license has been suspended or revoked, nor shall such person thereafter operate a motor vehicle, unless and until such person has furnished and thereafter maintains proof of financial responsibility. Whenever by reason of a conviction of, or adjudication of delinquency by reason of, any of the offenses hereinafter named, under the laws of the Territory or ordinances of any political subdivision, a court of competent jurisdiction has discretion to revoke or suspend an operator's license but does not revoke or suspend the license, the chief of police shall nevertheless after the expiration of thirty days from the date of conviction suspend the license and shall keep the same suspended, and the person so convicted or adjudged delinquent shall not thereafter operate a motor vehicle, unless and until the person so convicted or adjudged delinquent furnishes and thereafter maintains proof of financial responsibility. The offenses referred to are: (a) heedless, careless, reckless or negligent driving; (b) conviction or adjudication of delinquency by reason of any offense involving a motor vehicle in motion if the motor vehicle is in any manner involved in an accident in which any person is killed or injured, or in which damage to property results to an apparent extent in excess of \$100 (including any such accident in which only injury to the person or property of the convicted operator occurs).

"If any person, at the time of his conviction of, or adjudication of delinquency by reason of, any of the offenses hereinabove named, or of any offense for which a court of competent jurisdiction may suspend or revoke an operator's license, does not hold a valid operator's license, no such license shall at any time thereafter be issued to such person unless and until he furnishes and thereafter maintains proof of financial responsibility."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 1325.**

ACT 220

An Act Providing a Capitol Site for the Territory.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The portion of the "Honolulu Civic Center" adopted by the Honolulu City planning commission on February 23, 1945 as the

Master Plan for the city and county of Honolulu after a public hearing on February 1, 1945, for the executive-legislative center, specifically that area of Honolulu bounded by Richards, Beretania, Punchbowl and Hotel Streets, for which lands have been acquired and preliminary plans have been designed pursuant to Act 401 of the Session Laws of Hawaii 1949, is hereby designated as the capitol site for the Territory.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 1438.**

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## ACT 221

An Act Making an Appropriation for the Acquisition of Real Property and the Purchase or Construction Thereon of Building and Improvements for Use by the Bureau of Employment Security.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. There is hereby appropriated out of funds made available to this Territory under Section 903 of the Social Security Act, as amended, the sum of \$483,000, or so much thereof as is available to the Territory of Hawaii and as may be necessary, to be used under the direction of the Commission of Labor and Industrial Relations for the purpose of acquiring real property and the purchase or erecting of a building or buildings thereon for the use of the Bureau of Employment Security and for such improvements, facilities, paving, landscaping, equipment, furniture and other furnishings, as may be required for its proper use and for operation by the Bureau of Employment Security. The sum expended for equipment, furniture and other furnishings shall not exceed the sum of \$25,000.

SECTION 2. The money hereby appropriated shall be requisitioned by the Commission of Labor and Industrial Relations from the Unemployment Trust Fund maintained by the Secretary of the Treasury of the United States and deposited in the employment security administration fund in accordance with the provisions of Section 93-122, Revised Laws of Hawaii 1955, as amended, but shall remain a part of the unemployment compensation fund until expended.

SECTION 3. No part of the money hereby appropriated may be expended after the expiration of the two-year period beginning with the date of enactment of this Act. Any such money which is requisitioned and withdrawn from the Unemployment Trust Fund which is not expended within this period shall be returned promptly to the account of this Territory in the Unemployment Trust Fund.

SECTION 4. The amount expended pursuant to this Act during any 12-month period beginning on July 1 and ending on the next June 30 shall not exceed the amount by which (a) the aggregate of the amounts credited to the account of this Territory pursuant to Section 903 of the Social Security Act, as amended, during such 12-month period and the four preceding 12-month periods exceeds (b) the aggregate of the amounts expended for administration and paid out for benefits and charged against the amounts credited to the account of this Territory during such five 12-month periods.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 30, 1959.) **H.B. 1611.**

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**ACT 222**

An Act Relating to Employment Security for Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 93 of the Revised Laws of Hawaii 1955 as amended is hereby further amended in the following respects:

(1) By inserting in subsection (h) of section 93-1 after the word "including" the words "the Territory, any of its political subdivisions, any instrumentality of the Territory or its political subdivisions,".

(2) By amending paragraph (g) of Section 93-7 to read:

"(g) service performed in the employ of any other state, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more such states or political subdivisions; and any service performed in the employ of any instrumentality of one or more other states or their political subdivisions to the extent that the instrumentality is, with respect to such service, exempt from the tax imposed by section 3301 of the Internal Revenue Code of 1954;".

(3) By amending Section 93-61 to read:

**"Sec. 93-61. Rate of contributions; financing benefits paid to government employees.** (a) Each employer shall pay contribution equal to 2.7 per cent of wages paid by him during each calendar year with respect to employment, except as otherwise prescribed in this part.

"(b) In lieu of contributions required of employers under this chapter, the Territory and its political subdivisions and instrumentalities (hereinafter referred to as 'governmental employers' or 'governmental employer' as the case may be) shall pay into the fund an amount equivalent to the amount of benefits paid to individuals based on wages paid by governmental employers. If benefits paid an individual are based on wages paid by both a governmental employer and one or more other employers, the amount payable by such governmental employer to the fund shall bear the same ratio to total benefits paid to the individual as the base period wages paid to the individual by such governmental employer bear to the total amount of base period wages paid to the individual by all his base period employers. If the base period wages of an individual include wages from more than one governmental employer, the amount to be paid into the fund with respect to the benefits paid to such individual shall be prorated among the liable governmental employers in proportion to the wages paid to such individual by each such employer during the base period. The amount of payment required from governmental employers shall be ascertained by the board quarterly and shall be paid from the general funds of such governmental employers at such time and in such manner as may be prescribed by the board and approved by the comptrollers or auditors of the respective governmental employers, except that to the extent that benefits are paid on

## ACT 223

the basis of wages paid by governmental employers from special administrative funds, the payment into the unemployment compensation fund shall be made from such special funds."

SECTION 2. This Act shall take effect on July 5, 1959.

(Approved May 30, 1959.) **H.B. 247.**

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## ACT 223

An Act to Amend Section 215-3, of the Revised Laws of Hawaii 1955, Relating to First Circuit Court Judges, and Making an Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 215 of the Revised Laws of Hawaii 1955 is hereby amended by amending section 215-3 thereof to read as follows:

**"Sec. 215-3. First circuit court judges.** The circuit court of the first circuit shall consist of eight judges, who shall be styled as first, second, third, fourth, fifth, sixth, seventh and eighth judge, respectively. The judge of the circuit court, first circuit, styled sixth shall be judge of the juvenile court.

There may be one session of the court, or several sessions at the same time, each of which may be held by one, but not more than one, of the judges, severally. Judgments, orders and proceedings of any session held by any one of the judges shall be as effective as if only one session was held at a time."

SECTION 2. Until otherwise provided by legislative enactment, the seven judges styled as first, second, third, fourth, fifth, sixth, and seventh judge, respectively, shall continue to be paid by the Territory of Hawaii and the United States at the same ratio and rate per annum as in February of the year 1959. The judge styled as eighth judge shall receive compensation for his services at the same rate payable to the other circuit judges, but the same shall be wholly payable by the Territory of Hawaii.

SECTION 3. The sum of \$107,730 or so much thereof as may be necessary is hereby appropriated out of the general revenues of the Territory not otherwise appropriated for the purposes of this Act.

SECTION 4. This Act shall take effect upon its approval, provided, however, that the appointments provided herein shall not be made until after Hawaii officially becomes a state.

(Approved May 30, 1959.) **H.B. 813.**

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## ACT 224

An Act Relating to Public Improvements and the Financing Thereof, Making Appropriations for Public Improvements and Providing for the Issuance of Public Improvement Bonds; Making Appropriations Out of General Revenues for the Biennial Period Ending June 30, 1961.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1(a). GENERAL FUND PROJECTS. The following sums or so much thereof as shall be sufficient to accomplish the purposes

designated by the appropriations, are hereby appropriated, to be expended by the department of public works, unless otherwise specified in the subsection, for the biennial period ending June 30, 1961 out of moneys in the treasury received from general revenues:

# 1. AGRICULTURE AND FORESTRY, BOARD OF

A. Non-Park Program, Oahu	
(1) Animal Quarantine Station, Oahu.....	\$ 28,500
(2) Rearing Pond, Tilapia Live Bait.....	30,000
B. Non-Park Program, Hawaii	
(1) Insectary, Hilo .....	15,000
(2) Large Animal Quarantine Corral, Hilo.....	12,000
(3) Waiakea Mill Pond (Game Fish Preserve).....	75,000
(4) Plant Quarantine Station, Hilo.....	9,000
C. Parks Program, Oahu	
(1) Historic Sites, Preservation and Restoration, Oahu...	11,100
(2) Ualakaa Park .....	35,000
(3) Keaiwa Park, Aiea.....	17,000
(4) Waikane Mountain Area Development.....	2,500
(5) Kahana Bay Development.....	2,500
(6) Na Laau Hawaii (Diamond Head).....	5,000
(7) Waimea Bay .....	15,000
(8) Puu O Mahuka (Waimea Bay Heiau), restoration and access.....	25,000
D. Parks Program, Maui	
(1) Historic Sites, Restoration and Preservation at Lahaina.....	7,300
(2) Historic Sites, Restoration and Preservation on Molokai.....	2,400
(3) Moomomi Beach Park, Molokai.....	15,000
(4) Kamehameha Grove, Molokai.....	600
(5) Palaa Park, Molokai.....	5,000
E. Parks Program, Hawaii	
(1) Historic Sites, Restoration and Preservation on Hawaii.....	9,500
(2) Pohakuloa Camp .....	30,000
(3) Wailoa River Park (to complete total development including botanical garden).....	125,000
(4) Mauna-kea, Mauna-loa Game Program, for roads and habitate.....	30,000
(5) Development Program for the Following Parks on Hawaii:.....	60,945
Manuka Park	
Akaka Falls Park	
Waipio Valley	
Kalapana Park	
Reeds Bay	
McKenzie Park	
Kealakekua Bay	
Lava Tree Park	
Honokahau Bay	
Laupahoehoe Park	

	Kahaluu Bay	
	Punaluu Black Sands	
	Hapuna Beach	
F.	Parks Program, Kauai	
	(1) Historic Sites, Preservation and Restoration, Kauai...	8,000
	(2) Kokee Development .....	70,000
	(3) Waipahee Slide .....	10,000
	(4) Kaumualii Park, rest rooms.....	3,500
	(5) Fern Grotto, rest rooms.....	5,000
2.	HARBOR COMMISSIONERS, BOARD OF	
A.	Oahu	
	(1) Waikiki Beach, Removal of Coral Heads from Surfing Areas.....	10,000
	(2) Paiko Lagoon Development Plans.....	3,000
	(3) Pokai Bay, Marine Railway & Facilities.....	25,000
B.	Maui	
	(1) Canoe Landing, Keanae (addition to Act 150/57).....	5,000
	(2) Lanai Small Boat Harbor (addition to Act 150/57)....	70,000
C.	Hawaii	
	(1) Small Boat Facilities, Pohoiki (addition to Act 150/57).....	15,000
D.	Kauai	
	(1) Produce Shed, Nawiliwili.....	25,000
	(2) Reconstruction, Construction, and Surfacing of Kukuila Breakwater.....	25,000
3.	HAWAII WATER AUTHORITY	
A.	Hawaii	
	(1) Kalopa Homestead Water System, Trunk line extension (to be expended by the Board of Water Supply, County of Hawaii).....	80,000
	(2) Water Distribution Study and Wells, Keaau and Puna Districts (to be expended by the Board of Water Supply, County of Hawaii).....	80,000
	(3) Waiakea-uka Intake & Water System (to be expended by the Board of Water Supply, County of Hawaii)....	35,000
4.	LAND COMMISSIONER	
A.	Hawaii	
	(1) Waiakea Land Development (to be expended by Commissioner of Public Lands).....	176,000
B.	Kauai	
	(1) Kapaa Swamp Development (to be expended by the Department of Public Works. Appropriated fund to be matched by the Land Commissioner).....	75,000
5.	PUBLIC WORKS, HIGHWAY DIVISION	
A.	Oahu	
	(1) Vapor lights along Kam Highway, Aiea.....	20,000
	(2) Pedestrian asphalt footpath along Kam Highway, Waiau-Pearl City-Waiamalu-Waipahu .....	40,000
	(3) Likelike Highway and Kula Kolea Drive, construction of pedestrian overpass and acquisition of rights-of-way	50,000



(4)	Likelike Highway and Kam IV Road, construction of pedestrian overpass and acquisition of rights-of-way..	50,000
(5)	Kalaniana'ole Highway, realignment study between May Way and vicinity of Lunalilo Home Road, Oahu..	195,000
(6)	Laimi Road Improvement.....	50,000
(7)	Kaena Point Road (secondary road to be constructed by using prison labor).....	150,000
<b>B. Hawaii</b>		
(1)	Kapoho to Keaukaha Coastline Highway, engineering and feasibility study.....	25,000
(2)	Kaimu to Opihikao, Pohoiki to Kapoho, and Mauka Road from Kapoho to east end of Chain of Craters Road plus road from Pahoa to Pohoiki Junction (for engineering, right of way and construction).....	162,500
(3)	Keaukaha Escape Road, Hilo.....	100,000
(4)	Kamuela to Kawaihae Road (Preliminary survey)....	25,000
<b>6. LIBRARIES</b>		
<b>A. Library of Hawaii</b>		
(1)	Aiea Branch Library (Addition to Act 150/57 appropriation).....	3,000
(2)	Extension Branch Library for the Blind, Kapahulu...	20,000
(3)	Aiea Haina Library (Addition to Act 150/57 appropriation).....	45,000
<b>B. Maui County Library</b>		
(1)	Kahului Library (Addition to Act 150/57 appropriation).....	48,000
<b>C. Hawaii County Library</b>		
(1)	Hawaii County Library, Lecture Room and Gallery, Hilo.....	25,000
(2)	Pahala Library .....	11,200
<b>7. PUBLIC INSTRUCTION, DEPARTMENT OF</b>		
<b>A. Honolulu Technical School</b>		
(1)	Aircraft Building, equipment for.....	50,000
(2)	Shops—Classroom Building, equipment for.....	20,000
(3)	Electronics Building, equipment for.....	20,000
<b>B. Kapiolani Technical School</b>		
(1)	Classrooms, Library Buildings.....	50,000
(2)	Cafeteria, Classrooms, Hotel-Restaurant Training Building .....	60,000
<b>C. Lahainaluna School</b>		
(1)	Dormitory .....	300,000
<b>D. Diamond Head School</b>		
(1)	Dormitory for Younger Girls (Addition to Act 150/57 appropriation).....	15,250
(2)	Dormitory for Older Girls.....	50,000
(3)	Dormitory for Younger Boys.....	10,250
(4)	Dormitory for Older Boys.....	5,250
(5)	Hospital Building .....	33,000

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8. UNIVERSITY OF HAWAII

A. Oahu	
(1) Renovation of Engineering Quadrangle.....	42,000
(2) Campus Roads, Drainage, and Utilities.....	75,000
(3) Classroom Building No. 2 (Includes funds for Health Research Institute).....	75,000
(4) International Gateway House Dormitory (First Increment) .....	30,000
B. Maui	
(1) Kula Experiment Station Branch, Maui, of Hawaii Agricultural Experiment Station (Addition to Act 150/57 appropriation).....	84,000
(2) Kula Extension Service Road, paving and lighting....	10,000
C. Hawaii	
(1) Maintenance Work Shop, Hilo Branch.....	6,000
(2) Experiment Station, Kona—repair and maintenance of access road.....	20,000
(3) East Hawaii Branch Experiment Station.....	134,000
D. Kauai	
(1) Branch Agriculture Experiment Station, Kawaihau District .....	31,200
(2) Preservation and study of Hawaiian Language and Arts (to be expended by University of Hawaii).....	25,000

9. HAWAIIAN HOMES COMMISSIONS

A. Oahu	
(1) Nanakuli, storm drainage.....	40,000
B. Maui	
(1) Paukukalo Houselots (\$300,000 to be financed from Hawaiian Homes Commission Development Fund)....	.....

10. KULA SANATORIUM

A. Hot Water System.....	10,000
B. Water System .....	10,000
C. Steel Tank .....	7,000
D. Redwood Tank .....	1,700
E. Cold Storage .....	1,800

11. HEALTH, DEPARTMENT OF

A. Oahu	
(1) Diamond Head Health Center, parking area.....	6,000
(2) Lanakila Health Center.....	11,500
(3) Artesian Well, Hale Mohalu.....	10,000
(4) Flood Control, Hale Mohalu.....	10,000
B. Maui	
(1) Reinforcing Kalaupapa water pipeline.....	10,000
(2) Kalaupapa Park (Addition to Act 150/57 appropriation).....	15,000
C. Hawaii	
(1) Kona Health Center.....	7,500
(2) Waiakea Health Center.....	27,330

## 12. INSTITUTIONS, DEPARTMENT OF

A. Territorial Hospital	
(1) Medical Surgical Building, equipment for.....	40,000
(2) Extension of Sewer System.....	25,000
(3) Central Boiler Plant and Pipeline.....	40,000
B. Waimano Home	
(1) Dormitory (Addition to Act 150/57 appropriation)...	30,000
(2) Dormitory Building and Related Facilities and Expansion of Male Patients Dining Room.....	10,000
(3) General storage, maintenance and repair shop.....	5,000
C. Division of Training Schools	
(1) Koolau Boys' Home, chain link fence.....	14,925
(2) Kawaihoa Girls' Home, water closets installation.....	11,350

## 13. SIGHT CONSERVATION

A. Rehabilitation Center for the Blind and Physically Handicapped, equipment (Honolulu).....	25,500
B. Rehabilitation Center for the Blind and Physically Handicapped Persons (Kauai unlimited).....	10,000

## 14. JUDICIARY

A. Supreme Court	
(1) Chambers for two additional justices.....	70,000
(2) Room for law clerks.....	8,000
(3) Alterations in Clerk's office.....	5,000
(4) Moving of law library.....	30,000
B. First Circuit Court	
(1) Chamber for one additional Judge and Clerk's office...	60,000
C. Juvenile Court, Honolulu	
(1) Temporary improvements to second floor of Judiciary Building.....	9,000

## 15. MILITARY

A. Oahu	
(1) Five Unit Armory, Fort Ruger (Addition to Act 150/57 appropriation).....	9,000
(2) Four Unit Armory, Fort Ruger.....	5,000
B. Hawaii	
(1) Keaukaha Military Reservation, Hilo.....	40,000
(2) One Unit Armory, Kealahou, Kona equipment.....	3,300

## 16. CIVIL DEFENSE

A. Kauai	
(1) Purchase of equipment.....	10,000

## 17. PUBLIC WORKS, DEPARTMENT OF

## Division of Buildings

A. Oahu	
(1) Kuhio Beach Improvements and widening of sidewalk.	72,500

Provided, however, that such improvements shall not be constructed until at least seventy-five per cent of the shore line property owners along Waikiki beach from the natatorium to Fort DeRussy shall enter into an agreement with the Territory of Hawaii or the State of Hawaii

to so fix the boundaries of their private properties along such beach, so that no addition or accretion to private land along said beach shall accrue from thenceforth; and further that the existing public easement created under the 1928-1929 Waikiki Beach Reclamation Agreements shall remain as is; and provided further that the Territory of Hawaii shall not construct any permanent structures in the easement area fronting any private property.

The attorney general is directed to draft the agreement to meet the foregoing conditions and is also directed to condemn the littoral rights of such lands, whose owners do not agree to the above-mentioned conditions; using the funds appropriated under this paragraph.

(2) Electric Panel Board, Liliuokalani Building.....	8,000
(3) Electric Panel Board, Judiciary Building.....	4,300
B. Hawaii	
(1) Hoolulu Park lighting system and improvement.....	10,000
(2) Waipio Flood Control.....	10,000
(3) Waiakea-uka District Flood Control.....	40,000
(4) Waiakea Homestead Flood Control.....	40,000
(5) Government Building, Kona.....	15,000
C. Kauai	
(1) Right of way acquisition, Waimea River Flood Control.	4,000
18. SURVEY DEPARTMENT	
A. Hawaii	
(1) Fire Proof Room for Records, Hilo.....	4,050
B. Kauai	
(1) Fire Proof Room for Records.....	5,000
19. TAX COMMISSIONER, DEPARTMENT OF	
A. Hawaii	
(1) Addition to Hilo Tax Office.....	10,000
B. Kauai	
(1) Parking Area, Lihue Tax Office.....	5,000
20. TERRITORIAL PLANNING OFFICE	
A. Territorial Transportation and General Plan.....	250,000
21. PACIFIC WAR MEMORIAL COMMISSION	
A. Arizona Memorial (to be expended by the Pacific War Memorial Commission toward the erection of a memorial)...	50,000
22. ECONOMIC PLANNING AND COORDINATION AUTHORITY	
A. Promotional Program of Hawaiian Agricultural Products (to be expended by E. P. C. A.).....	25,000
23. BUREAU OF THE BUDGET	
A. Equipment for Territorial Buildings Authorized by the 28th and 29th Legislatures Initiated or Completed During Biennial Period Ending June 30, 1961.....	200,000
24. TERRITORIAL FAIR COMMISSION	
A. Ala Wai Golf Course Improvements.....	50,000
(b) The superintendent of public works is authorized to delegate to	

the departments the planning and construction of projects under subsection 1(a) when it is determined by him that it is more advantageous to do so.

(c) The appropriations in subsection 1(a), except item 23A, include land purchase, plans, improvements to land, construction and necessary equipment.

(d) The governor, upon recommendation of the director of territorial planning and the director of the bureau of the budget, shall determine when the authorized projects shall be initiated taking into consideration the factors of public need, general financial condition of the territorial general fund, the general economic conditions, and compliance with the general plan of the Territory.

(e) In case the amount specified in any item in subsection 1(a), except item 23A, shall not be wholly required to complete the work of such item or after it is definitely found by the superintendent of public works that not more than a specified amount will be required to complete said work, such unrequired amounts may be expended for the work specified in any of the other items in subsection 1(a) with the approval of the governor, upon recommendation of the director of territorial planning and the director of the bureau of the budget.

(f) In case the amount specified in item 23A shall not be wholly required to complete equipment purchases for new territorial buildings financed from territorial general obligation bonds authorized by the 28th, 29th and 30th Legislatures and initiated or completed during the biennial period ending June 30, 1961, such unrequired general funds may be expended for territorial bond fund projects authorized by section 2(a) of this Act with the approval of the governor, upon recommendation of the director of territorial planning and the director of the bureau of the budget.

SECTION 2(a). GENERAL OBLIGATION BOND FUND PROJECTS. The following sums, or so much thereof which shall be sufficient to accomplish the purpose designated by the appropriations, are hereby appropriated out of any moneys hereafter received by the treasurer of the Territory of Hawaii for or on account of bond funds. General obligation bonds may be issued as provided by law to the extent necessary to yield the amounts herein appropriated or so much thereof as may be necessary.

# 1. AGRICULTURE AND FORESTRY, BOARD OF

## A. Non-Park Program, Oahu

- |  |         |
|--|---------|
| (1) Addition to Agriculture and Forestry building..... | 200,000 |
| (2) Rearing Pond tilapia live bait.....                | 100,000 |

## B. Parks Program, Territory

- |  |         |
|--|---------|
| (1) Purchase of land for preservation of Historic sites Kamakahonu-Kailua-Kona ..... | 200,000 |
|--|---------|

## C. Parks Program, Kauai

- |                                   |         |
|-----------------------------------|---------|
| (1) Park Development, Kauai.....  | 100,000 |
| (2) Kokee Development .....       | 100,000 |
| (3) New Kapaa Park rest room..... | 10,000  |

2. HARBOR COMMISSIONERS, BOARD OF

A. Oahu

- |  |         |
|--|---------|
| (1) Kewalo Basin Improvements.....   | 348,875 |
| (2) Haleiwa Beach erosion study. Relocation<br>of breakwater and restoration of beach..... | 160,000 |
| (3) Pokai Bay, Marine Railway and Facilities.....  | 75,000  |

B. Maui

- |   |         |
|---|---------|
| (1) Maalaea Small Boat Harbor<br>(In addition to Act 150/57)..... | 100,000 |
|---|---------|

C. Hawaii

- |   |         |
|---|---------|
| (1) Small Boat Facilities, Pohoiki<br>(In addition to Act 150/57).....  | 75,000  |
| (2) Small Boat Harbor, Kailua, Kona<br>(In addition to Act 150/57)..... | 225,000 |
| (3) Improvements—Landing Facilities, Mahukona.....                      | 25,000  |

D. Kauai

- |  |         |
|--|---------|
| (1) Small Boat Harbor, Kikiaola.....             | 100,000 |
| (2) Small Boat Harbor, Port Allen.....           | 250,000 |
| (3) Small Boat Harbor, Waikaea Canal, Kapaa..... | 100,000 |

3. HAWAII AERONAUTICS COMMISSION

A. Hawaii

- |   |         |
|---|---------|
| (1) Kona Airport Runway Extension (Reappropriate<br>\$265,000—relocation to extension of present runway,<br>non reimbursable) ..... | 235,000 |
|---|---------|

4. HAWAII WATER AUTHORITY

A. Oahu

- |   |         |
|---|---------|
| (1) Waimanalo Water System (Territory's contribution<br>for cost of extension from Kailua-Waimanalo junction<br>to Waimanalo Valley)..... | 950,000 |
| (2) Ewa-Waianae Water Project (Extension of water<br>system from Waianae to Makaha Valley).....   | 500,000 |

B. Maui

- |  |           |
|--|-----------|
| (1) Molokai Irrigation and Water Utilization Project<br>(Addition to Act 227/43 and Act 273/55)..... | 1,300,000 |
| (2) Kula Water Development (Addition to Act<br>150 appropriation) .....                              | 1,030,000 |

C. Hawaii

- |   |           |
|---|-----------|
| (1) Development of Water Systems (to be expended<br>by Board of Water Supply, County of Hawaii).....  | 825,000   |
| (2) Waiakea-Uka intake and water system (to be<br>expended by the Board of Water Supply, County<br>of Hawaii) .....   | 45,000    |
| (3) Kona Water Development (to be expended by the<br>Hawaii Water Authority. Upon completion, the<br>system shall be turned over to the County of Hawaii<br>for operation ..... | 1,200,000 |

5. LAND COMMISSIONER

A. Hawaii

- |   |         |
|---|---------|
| (1) Waiakea Land Development (to be expended by the<br>Commissioner of Public Lands)..... | 500,000 |
|---|---------|

(2)	Lalamilo Farm Lots (to be expended by the Commissioner of Public Lands).....	150,000
(3)	Puna Relief (to be expended by the Commissioner of Public Lands).....	50,000
<b>B. Kauai</b>		
(1)	Kapaa Swamp Development (to be expended by the Department of Public Works, appropriated funds to be matched by the Commissioner of Public Lands) ..	75,000
<b>6. PUBLIC WORKS</b>		
Highway Division		
<b>A. Oahu</b>		
(1)	Kaena Point Road (secondary road to be constructed by using prison labor).....	200,000
(2)	Laimi Road Development.....	500,000
<b>B. Maui</b>		
(1)	Hana Belt Road, addition to Act 150, S.L.H. 1957...	300,000
(2)	Farrington Avenue, Molokai.....	200,000
(3)	East End Road, Molokai.....	110,000
(4)	Road to Kalaupapa Lookout.....	90,000
<b>C. Hawaii</b>		
(1)	End of Pahoa-Kalapana Road to Kaimu.....	250,000
(2)	Kaimu to Opihikao, Pohoiki to Kapoho, and mauka road from Kapoho to east end of Chain of Craters Road, plus road from Pahoa to Pohoiki junction (for engineering, right-of-way purchase, and construction)	750,000
(3)	Kohala Mountain Road.....	100,000
(4)	Honokaa-Waipio Road .....	125,000
(5)	Kawaihae-Mahukona-Kokoiki Road (preliminary survey) .....	190,000
<b>D. Kauai</b>		
(1)	Extension of Kokee Road to South Kalalau lookout..	80,000
(2)	Connecting roads across North Fork of Wailua River above Kaholalele Falls.....	150,000
(3)	Construction of third lane at Kapaia Gulch.....	200,000
(4)	Construction of third lane at Nawiliwili Gulch.....	100,000
(5)	Access Road to Upper Wet Caves, Haena.....	10,000
(6)	Construction of Lawai Bridge, Lawai.....	10,000
(7)	Construction of Opaakaa Bridge.....	15,000
(8)	Construction of Wailaau Bridge.....	20,000
<b>7. LIBRARIES</b>		
<b>A. Library of Hawaii</b>		
(1)	Kailua Branch Library (Addition to Act 273/55 appropriation).....	140,000
(2)	Kaneohe Branch Library.....	155,000
(3)	Wahiawa Library .....	90,000
(4)	Pearl City Highlands—Branch Library.....	150,000
(5)	Honolulu County Medical Library Building.....	200,000
(6)	Aina Haina Library (Addition to Act 150/57 appropriation).....	103,000

B. Maui County Library	
(1) Kahului Library (Addition to Act 150/57 appropriation) .....	126,000
C. Kauai County Library	
(1) Auditorium on Kapaa Branch Library grounds, to be used jointly by the Library, Court House, and Health Center.....	125,000
(2) Koloa Station Library.....	25,000
8. PUBLIC INSTRUCTION	
A. Kapiolani Technical School	
(1) Classrooms, Library buildings.....	153,000
(2) Cafeteria and classrooms for Hotel-Restaurant Training Building .....	380,000
B. Hawaii Technical School	
(1) Classrooms .....	160,000
(2) Electronics and Electricity Building.....	65,000
C. Kauai Technical School	
(1) Cafetorium Building, dual purpose—for use by Kauai Technical School and Kauai High School.....	325,000
D. Diamond Head School	
(1) Dormitory for Older Girls.....	75,250
(2) Dormitory for Younger Girls.....	120,000
(3) Dormitory for Older Boys.....	120,000
9. UNIVERSITY OF HAWAII	
A. Oahu	
(1) Campus Roads, Drainage and Utilities.....	195,000
(2) Classrooms Bldg. #2 (includes funds for Health Research Institute) .....	500,000
(3) International Gateway House, Dormitory (first increment).....	504,000
B. Hawaii	
(1) Classrooms and Library Building, Hilo Branch (Addition to Act 150/57 appropriation).....	42,500
10. HAWAIIAN HOMES COMMISSION	
A. Oahu	
(1) Nanakuli residence subdivision.....	90,000
B. Kauai	
(1) Kekaha residence lots.....	25,000
(2) Anahola, development of pastoral and agricultural lots .....	25,000
11. HEALTH, DEPARTMENT OF	
A. Oahu	
(1) Additional land acquisition and site improvement in the Territorial Civic Center.....	918,000
(2) Flood Control, Hale Mohalu (Addition to Act 150/57 appropriation).....	40,000
B. Maui	
(1) Patient cottages, Kalaupapa Settlement (Addition to Act 150/57 appropriation).....	110,000



## 12. INSTITUTIONS

### A. Territorial Hospital

- |  |         |
|--|---------|
| (1) Medical surgical building (Addition to Act 150/57 appropriation) ..... | 160,000 |
| (2) Extension of sewer system.....   | 25,000  |
| (3) Central Boiler Plant and Pipelines.....                                | 60,000  |

### B. Waimano Home

- |  |         |
|--|---------|
| (1) Dormitory building and related facilities and male patients dining room..... | 165,000 |
| (2) Dormitory (Addition to Act 150/57 appropriation) ..                          | 50,000  |
| (3) General storage and maintenance building.....                                | 120,000 |

## 13. JUDICIARY

### A. Juvenile Court, Honolulu

- |   |        |
|---|--------|
| (1) Completion of construction of detention home..... | 98,000 |
|---|--------|

### B. Fifth Circuit Court

- |                                  |        |
|----------------------------------|--------|
| (1) Juvenile detention home..... | 75,000 |
|----------------------------------|--------|

## 14. MILITARY

### A. Oahu

- |  |         |
|--|---------|
| (1) Five Unit armory, Fort Ruger (Additional to Act 150/57 appropriation)..... | 77,000  |
| (2) Four Unit addition to armory, Fort Ruger.....                              | 107,500 |

### B. Kauai

- |  |        |
|--|--------|
| (1) Rifle Range, National Guard, Kekaha..... | 40,000 |
| (2) Rifle Range, National Guard, Kapaa.....  | 25,000 |

## 15. PUBLIC WORKS

### Division of Buildings

### A. Oahu

- |  |           |
|--|-----------|
| (1) Kuhio Beach Improvement and widening of sidewalk —Provided, however, that such improvements shall not be constructed until at least seventy-five per cent of the shore line property owners along Waikiki beach from the natatorium to Fort DeRussy shall enter into an agreement with the Territory of Hawaii or the State of Hawaii to so fix the boundaries of their private properties along such beach, so that no addition or accretion to private land along said beach shall accrue from thenceforth; and further that the existing public easement created under the 1928-1929 Waikiki Beach Reclamation Agreements shall remain as is; and provided further that the Territory of Hawaii shall not construct any permanent structures in the easement area fronting any private property. The Attorney General is directed to draft the agreement to meet the foregoing conditions and is also directed to condemn the littoral rights of such lands, whose owners do not agree to the above-mentioned conditions; using the funds appropriated under this paragraph ..... | 1,510,000 |
|--|-----------|

(2) Aiea Civic Center, land and construction.....	200,000
(3) Waialua-Haleiwa Civic Center, Land and Construction .....	200,000
B. Hawaii	
(1) Hoolulu Park Lighting system and improvement....	90,000
(2) Kohala Government building.....	75,000
(3) Kamuela Flood control.....	100,000
(4) Government Building, Kona.....	136,500
C. Kauai	
(1) Construction of a drainage system, Wailua House lots (to be matched by funds under the jurisdiction of the Land Commissioner).....	35,000
(2) Territorial Building, Lihue (Addition to Act 150/57 appropriation).....	50,000
(3) Highway Division Base Yard, Kauai.....	75,000
16. TAX COMMISSIONER	
(1) Addition to Hilo Tax Office.....	30,000
17. PACIFIC WAR MEMORIAL COMMISSION	
A. Arizona Memorial (to be expended by the Pacific War Memorial Commission toward erection of a memorial)	77,000
SECTION 3(a). COUNTY PROJECTS FINANCED FROM TERRITORIAL GENERAL FUND. The following sums or so much thereof as shall be sufficient to accomplish the purposes designated by the appropriations, are hereby appropriated, to be expended by the department of public works, unless otherwise specified in the subsection, for the biennial period ending June 30, 1961 out of moneys in the treasury received from general revenues:	
A. City and County of Honolulu (to be expended by the City and County of Honolulu)	
(1) Street lights, Pauoa Valley (to be expended by the City and County Department of Public Works).....	85,000
(2) Kalihi Waena School.....	50,000
(3) Kalihi-Uka School .....	50,000
(4) Nanaikapono School, classroom-workshop.....	60,000
(5) Kahuku School, gymnasium remodeling.....	40,000
(6) Kahuku Elementary and High School, classrooms and toilets.....	50,000
(7) Waialua High School, construction of physical education building including showers and lockers rooms.	50,000
(8) Leilehua High School, repair and installation of bleachers at athletic field.....	60,000
(9) Farrington High School, girls physical education building and bleachers at swimming pool.....	75,000
(10) Dole and Kaewi Schools, chain link fence along Kalihi Stream.....	10,000
(11) Kauluwela School, classrooms and toilets.....	20,000
(12) Kalihi-Kai School, classrooms and toilets.....	30,000
(13) Hauula School, remodeling.....	40,000
(14) Waianae High School, gymnasium.....	150,000

(15)	Kaiulani School, cafetorium.....	150,000
(16)	Likelike School, completion of cafetorium.....	40,000
(17)	Leilehua High School, enlarge present cafetorium...	75,000
(18)	Kalakaua Intermediate School, cafetorium.....	50,000
(19)	Pauoa School, ten classroom, two-story building with toilets.....	220,000
(20)	Roosevelt High School, completion of gym.....	50,000
(21)	Waikiki Elementary School, land and classroom building .....	54,087
(22)	Kaimuki High School, swimming pool.....	50,000
(23)	Waiatae Elementary School, land acquisition and construction of ten-classroom building.....	150,000
(24)	Wailupe Valley Elementary School, library construction and equipment and supplies.....	50,000
(25)	McKinley High School, cafeteria.....	50,000
(26)	Royal School, cafetorium.....	50,000
(27)	Kawanakoa School, cafeteria.....	50,000
(28)	Land purchase, Tax Key 7-4-8-9 adjacent to Fred Wright Park, Wahiawa.....	217,200
(29)	Kaiulani Park (Kalihi-Uka Park) resurface and equipment .....	20,000
(30)	Kalihi Valley Homes Playground improvement.....	20,000
(31)	Improvement of playground area, Kalihi-War Homes	5,000
(32)	Installation and construction of fence along Kalena Drive, Kalihi Valley Homes.....	5,000
(33)	Alewa Playgrounds .....	14,587
(34)	Pavilion for Lanakila Park.....	40,000
(35)	Puunui Park, improvement.....	16,000
(36)	Foster Botanical Gardens, Wahiawa.....	35,000
(37)	Aliiainanu Foster Homes, acquisition of land for park, construction of pavilion and improvements..	60,000
(38)	Swanzy Park, Kaaawa, Oahu, construction of pavilion and combination volleyball-basketball court.....	50,000
(39)	Waipahu Athletic Park, installation of flood lights, paved courts and preparation of plans for gymnasium	65,000
(40)	Nuuanu Community Playground.....	35,000
(41)	Dole Park, improvement.....	50,000
(42)	Booth Park, volleyball courts.....	7,000
(43)	Booth Park, basketball courts.....	10,000
(44)	Manoa Park, development.....	50,000
(45)	Kalaeopuhoku Park, chain link fence.....	3,000
(46)	Kanewai Park, improvement.....	30,000
(47)	Palolo Playground .....	50,000
(48)	Carlos Long Playground.....	25,000
(49)	Wailupe Valley Playground.....	50,000
(50)	Aina Koa Park.....	50,000

#### B. Maui County

The following projects to be expended by the County of Maui:

(1)	Kihei Water System (study and plans).....	20,000
(2)	Baldwin High School, relocation of firing range.....	15,000
(3)	Central Maui Memorial Hospital.....	100,000

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(4)	Lanai Hospital subsidy.....	56,500
(5)	Maui County Planning and Traffic Commission.....	10,000
(6)	Wailuku War Memorial Convention Hall-Gym.....	300,000
(7)	Kanaha Pond (Bird Sanctuary and Park).....	15,000
(8)	Onealii Park .....	35,000
(9)	Hookipa Park .....	10,000
(10)	Haiku Park .....	10,000
(11)	Piihaha Park .....	20,000
(12)	Makawao Park .....	15,000
(13)	Waihee Club House.....	50,700
(14)	Iao Road .....	50,000
(15)	Waikapu Park .....	10,000

**C. Hawaii County**

The following projects to be expended by the County of Hawaii:

(1)	Kurtistown water system (to be expended by the Board of Water Supply, County of Hawaii).....	15,000
(2)	Kapahu water system (to be expended by the Board of Water Supply, County of Hawaii).....	25,000
(3)	Kalaoa Mauka water system at Onomea (to be expended by the Board of Water Supply, County of Hawaii) .....	46,000
(4)	Honokaa Road—resurfacing road leading from government main road parcel (lot) 6 to parcel (lot) 1, portion of Nienie in District of Hamakua.....	4,500
(5)	Naalehu to Honuapo Road.....	8,175
(6)	Keauhou to Holualoa Road.....	18,000
(7)	Peck Road (Mountain View).....	5,000
(8)	Kaliei Homestead road widening.....	20,000
(9)	Gymnasium, Olaa. On Keaau School Grounds.....	100,000
(10)	Kalaniana'ole School site improvements and facilities.	25,000

**D. Kauai County**

The following projects to be expended by the County of Kauai:

(1)	Development of water source and mainline to the Kaumakani Cemetery .....	3,000
(2)	Additional funds to complete Kapaa School cafetorium including fixtures and furniture.....	90,000
(3)	Construction of phases 2-3-4-5 to complete Kapaa Beach Natatorium.....	100,000
(4)	Kauai War Memorial Auditorium, Lihue, building, furniture and fixtures.....	50,000
(5)	Wailua Golf Course, additional nine holes, construction of clubhouse, equipment and construction and development of water system.....	200,430
(6)	Drainage Ditch, Niumalu to Nawiliwili Bay.....	10,000
(7)	Improvement to Hanapepe Irrigation Ditch.....	3,000
(8)	Improvement to Wailua Rice Irrigation Ditch.....	3,000
(9)	Improvement of Waiole Stream, Hanalei District....	8,870
(10)	Kauai Planning and Traffic Commission Building, furniture and fixtures.....	40,000
(11)	Kauai Planning and Traffic Commission general plan	50,000

- (12) Study, survey and development plans for tourism,  
Hanapepe ..... 10,000

(b) The foregoing appropriations shall be deemed to include purchase of necessary land, preparation of plans and construction. The sums appropriated by subsection 3(a) shall be expended as specified.

(c) All school buildings erected and all land purchased for school purposes under any of the items in subsection 3(a) shall be subject to the approval of the department of public instruction as to location of the land purchased and the size, arrangement, dimensions, lighting of rooms and sanitary conditions of the buildings erected.

(d) Upon certification by the spending agency and approval of the governor that the purpose of the appropriation has been accomplished and all financial obligations incurred have been met, or when it is determined by the spending agency that the amount specified in any item in subsection 3(a) shall not be wholly required to complete the work of such items, the unrequired balances may be expended for any other item for the same county in the subsection with the approval of the governor.

Any unrequired balances remaining after completion of items for such county listed in subsection 3(a) shall be transferred to the permanent improvement fund of the same county.

SECTION 4(a). COUNTY PROJECTS FINANCED FROM TERRITORIAL GENERAL OBLIGATION BOND FUND. The following sums or so much thereof as shall be sufficient to accomplish the purposes designated by the appropriations, are hereby appropriated out of any moneys hereafter received by the treasurer of the Territory for or on account of bond funds. General obligation bonds may be issued as provided by law to the extent necessary to yield the amounts herein appropriated or so much thereof as may be necessary.

A. City and County of Honolulu (The following projects to be expended by the City and County of Honolulu)

(1) Kalihi-Waena School .....	200,000
(2) Kalihi-Uka School .....	200,000
(3) Castle High School, swimming pool.....	125,000
(4) Kailua High School, swimming pool.....	125,000
(5) Waialua High School, construction of physical education building including showers and locker rooms .....	100,000
(6) Maemae School, kindergarten.....	125,000
(7) Maemae School, addition to present cafetorium....	75,000
(8) Waiahole School, cafetorium.....	175,000
(9) Lanakila School, cafetorium.....	175,000
(10) Waianae High School, gymnasium.....	125,000
(11) August Ahrens School, conversion of present auditorium into a cafetorium.....	150,000
(12) Waipahu Elementary School, cafetorium.....	160,000
(13) Pearl City Intermediate School, cafetorium.....	160,000
(14) Kalakaua Intermediate School, cafetorium.....	160,625
(15) Kaala School, Wahiawa, cafetorium.....	200,000

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(16)	Purchase land, tax key 7-4-8-9 adjacent to Fred Wright Park, Wahiawa.....	105,000
(17)	Pearl City Highlands Park, administration building	150,000
(18)	Aliiainanu Foster Homes, acquisition of land for park, construction of pavilion, and improvements..	125,000
(19)	Acquisition of land, and site improvements of a Fifth Senatorial District Athletic Park, to be located in Kalihi-Palama area.....	350,000
(20)	Kaahumanu School, ten-classroom, two story building with toilets.....	200,000
(21)	Roosevelt High School, completion of gym.....	100,000
(22)	Waikiki Elementary School, land and classroom buildings .....	1,000,125
(23)	Kaimuki High School, swimming pool.....	160,000
(24)	Jarret Intermediate School, physical education building .....	200,000
(25)	Waialae Elementary School, land acquisition and construction of ten-classroom building.....	225,000
(26)	McKinley High School, cafeteria.....	170,000
(27)	Royal School, cafetorium.....	200,000
(28)	Kawananakoa School, cafeteria.....	125,000
(29)	Central Intermediate School, two-classroom shop building .....	90,000
(30)	Central Intermediate School, girls physical education building .....	90,000
(31)	Thomas Jefferson Elementary School, cafetorium..	165,000
(32)	Manoa Intermediate School, plans and engineering..	112,625
(33)	Nuuanu Community Playground.....	40,000
(34)	Booth Park, basketball courts.....	10,000
(35)	Manoa Park, development.....	25,000
(36)	Forest Reserve Park, St. Louis Heights, picnic and camping facilities improvement.....	35,000
(37)	Palolo Playground .....	100,000
(38)	Wailupe Valley Playground.....	100,000
(39)	Aina Koa Park.....	100,000
(40)	Windward Hospital .....	250,000
B. County of Maui (The following projects to be expended by the County of Maui)		
(1)	Kihei Water System.....	559,000
(2)	Iao Road .....	150,000
(3)	Consolidation of Keokea-Kealahou schools at Waiakoa .....	325,000
(4)	Hale Makua (Renovation of convalescent wing at Central Maui Memorial Hospital for Hale Makua)..	100,000
C. County of Hawaii (The following projects to be expended by the County of Hawaii)		
(1)	Kapahu Water System (to be expended by the Board of Water Supply, County of Hawaii).....	55,000
(2)	Makalika Road, Panaewa, South Hilo.....	75,000
(3)	Rerouting of Kaohi Homestead Road.....	20,000

(4) Kalanikoa Extension .....	65,000
(5) Pohakea Homestead Road.....	40,000
(6) Completion of upper Pohakea Homestead road, Panilo, Kamakua.....	20,000
(7) Surfacing of Pohakulani Street from Puainako Street toward Puna.....	10,000
(8) Construction and completion of Kauahuno Road, Waipunalie, South Hilo.....	10,000
(9) Kakalu Homestead Road.....	21,000
(10) Laupahoehoe School Gymnasium.....	100,000
(11) Paauiilo School Gymnasium.....	100,000
(12) Library for Hilo High School.....	40,000

D. Kauai County (The following projects are to be expended by the County of Kauai)

(1) Development of domestic water sources and construction of main lines, island of Kauai. (To be constructed by the Hawaii Water Authority. Upon completion, the system will be turned over to Kauai County for operation).....	400,000
(2) Construction of a multi-purpose building (music, library) at Kauai High School.....	50,000
(3) Construction of canals at Waipouli and Wailua (addition to Act 150/57 appropriation).....	75,000
(4) New Kapaa Park, rest rooms.....	10,000
(5) Air Conditioning System, Kauai Veterans Memorial Hospital .....	50,000
(6) Kauai War Memorial Auditorium, Lihue, building, furniture and fixtures. (additional to Act 150/57 appropriation) .....	180,000
(7) Kauai Planning and Traffic Commission Building, also furniture and fixtures.....	100,000

(b) The foregoing appropriations shall be deemed to include purchase of necessary land, preparation of plans and construction. The sums appropriated by subsection 4(a) shall be expended as specified.

(c) All school buildings erected and all land purchased for school purposes under any of the items in subsection 4(a) shall be subject to the approval of the department of public instruction as to location of the land purchased and the size, arrangement, dimensions, lighting of rooms and sanitary condition of the buildings erected.

(d) Upon certification by the spending agency and approval of the governor that the purpose of the appropriation has been accomplished and all financial obligations incurred have been met, or when it is determined by the spending agency that the amount specified in any item in subsection 4(a) shall not be wholly required to complete the work of such items, the unrequired balances may be expended for any other item for the same county in the subsection with the approval of the governor.

Any unrequired balances remaining after completion of items for such county listed in subsection 4(a) shall be transferred to the permanent improvement fund of the same county.

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(e) In the event that no funds are allotted by the governor for any particular project in section 4(a) during the biennial period ending June 30, 1961, appropriation for such projects shall lapse as of June 30, 1961.

(f) Each county shall pay to the Territory on the interest dates of serial bonds issued by the Territory under subsection 4(a), the proceeds of which shall have been or are to be expended for projects herein stated, the interest then due thereon, and in addition shall pay to the Territory on or before the twentieth day of November of each year, the amount of the principal of such bonds maturing the following year.

(g) The comptroller of the Territory is authorized to deduct from the amount of any warrant or warrants otherwise issueable by him to the treasurer of any county such amounts when due as are required by subsection 4(f) to be paid by such county, and proper receipts shall thereupon be exchanged between the treasurers of the Territory and such county.

SECTION 5. FEDERAL FUNDS. Where the governor or any agency of any government unit is able to secure federal funds made available under any Act of the Congress of the United States to be expended in connection with or for the planning or construction of any of the projects or works authorized by this Act, the governor or agency shall have the power to enter into such undertaking with the proper officers or agencies of the federal government.

SECTION 6. SEVERABILITY. If any portion of this Act or its application to any person or circumstances is held to be invalid for any reason, then the Legislature hereby declares that the remainder of this Act and each and every other provision thereof shall not be affected thereby.

SECTION 7. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 1162.**

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ACT 225

An Act to Prohibit the Manufacture, Sale, Transfer, Possession or Transportation of Switchblade Knives, and Adding a New Section, Section 264-9 to the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 264 of the Revised Laws of Hawaii 1955 is hereby amended by adding the following new section:

**"Sec. 264-9. Switchblade knives.** Whoever knowingly manufactures, sells, transfers, possesses or transports in the Territory of Hawaii any switchblade knife, being any knife having a blade which opens automatically (1) by hand pressure applied to a button or other device in the handle of the knife, or (2) by operation of inertia, gravity, or both, shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 885.**



**ACT 226**

An Act Amending Chapter 143 of the Revised Laws of Hawaii 1955, as Amended and Relating to the Urban Redevelopment Fund and to the Duties and Powers of the Urban Renewal Coordinator.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 143-15 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended as follows:

(a) The title of said section is amended to read as follows: "Financial assistance of agency and office of urban renewal coordinator; redevelopment fund."

(b) The last paragraph of said section is amended to read as follows:

"The office of urban renewal coordinator shall submit in its budget estimates of amount required for administrative expenses and other costs of operation of the office of urban renewal coordinator and the central relocation office under the jurisdiction of the urban renewal coordinator, to be appropriated from the redevelopment fund; provided, however, the amount to be appropriated for such purposes for any one year shall not exceed the sum of \$200,000; and provided further, however, that said estimates for the office of urban renewal coordinator and said central relocation office shall have first been approved by the mayor or chairman of the board and the board. To the extent that special funds are made available by the Territory or the board, the central relocation office shall have the authority to make relocation payments for actual moving costs to families displaced by public improvement projects; provided, however, that such payments shall not exceed \$100 for each displaced family."

SECTION 2. Section 143-59 of the Revised Laws of Hawaii 1955 is hereby amended by changing paragraph (e) therein to (f) and by adding a new paragraph therein to be inserted after paragraph (d) to read as follows:

"(e) To perform such functions and activities as may be necessary or proper through a central relocation office for the satisfactory relocation of families displaced by public improvement projects, except those displaced by redevelopment and urban renewal projects, in decent, safe and sanitary dwellings at rents or prices within the financial means of such displaced families and located in areas reasonably accessible to their places of employment."

SECTION 3. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 1153.**

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**ACT 227**

An Act to Amend Chapter 181 of the Revised Laws of Hawaii 1955 Relating to the Insurance Laws of the Territory of Hawaii by Amending Section 181-259, known as the "Standard Valuation Law", and Section 181-551, Known as the "Standard Nonforfeiture Law".

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 181-259(c) (2)(i), Revised Laws of Hawaii

1955, is hereby amended by adding after the words "mortality table" at the end thereof, the following:

"for such policies issued prior to the operative date of subparagraph (5) of paragraph (e) of section 181-551 (the Standard Nonforfeiture Law), as amended, and the commissioner's 1958 standard ordinary mortality table for such policies issued on or after such operative date; provided that for any category of such policies issued on female risks all modified net premiums and present values referred to in this section may be calculated according to an age not more than three years younger than the actual age of the insured."

SECTION 2. Section 181-551(e) (4), Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"(4) Except as otherwise provided in subparagraph (5) of paragraph (e) of this section, all adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of the commissioner's 1941 standard ordinary mortality table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured. Such calculations for all policies of industrial insurance shall be made on the basis of the 1941 standard industrial mortality table. All calculations shall be made on the basis of the rate of interest, not exceeding three and one half per cent per annum, specified in the policy for calculating cash surrender values and paid up nonforfeiture benefits. Provided, however, that in calculating the present value of any paid up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than one hundred and thirty per cent of the rates of mortality according to such applicable table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the commissioner."

SECTION 3. Section 181-551(e), Revised Laws of Hawaii 1955, is further amended by adding thereto the following subparagraph (5):

"(5) In the case of ordinary policies issued on or after the operative date of this subparagraph (5) as defined herein, all adjusted premiums and present values referred to in this section shall be calculated on the basis of the commissioner's 1958 standard ordinary mortality table and the rate of interest, not exceeding three and one half per cent per annum, specified in the policy for calculating cash surrender values and paid up nonforfeiture benefits, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured. Provided, however, that in calculating the present value of any paid up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the commission's 1958 extended term insurance table. Provided further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the commissioner. After the effective date of this Act, any insurer may

file with the commissioner a written notice of its election to comply with the provisions of this subparagraph (5) after a specified date before January first, nineteen hundred and sixty-six. After the filing of such notice, then upon such specified date (which shall be the operative date of this subparagraph (5) for such insurer), this subparagraph (5) shall become operative with respect to the ordinary policies thereafter issued by such insurer. If an insurer makes no such election, the operative date of this subparagraph (5) for such insurer shall be January first, nineteen hundred and sixty-six."

SECTION 4. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 1200.**

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**ACT 228**

An Act to Amend Chapter 52 Revised Laws of Hawaii 1955 Relating to Narcotics.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 52-10 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto new subsections to read as follows:

"(d) Opiates. The word 'opiate' as used in subsections (a) and (b) shall mean any drug having addiction-forming or addiction-sustaining liability similar to morphine or cocaine.

(e) Marihuana. Marihuana includes the following substances under whatever names they may designate: all parts of the plant cannabis sativa, L., whether growing or not, the seeds thereof, the resin extracted from any part of such plant, and every compound, manufacture, salt, derivative, mixture or preparation of such plant, its seeds, or resin, but, shall not include the sterilized seed of such plant which is incapable of germination."

SECTION 2. Section 52-12 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the numbers "52-24" in the fourth, eleventh, and eighteenth lines thereof and substituting therefor the numbers "52-10".

SECTION 3. Section 52-13 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 52-13. Sale of narcotic drugs to minors; penalty.** Any person selling or dispensing any narcotic drug as defined in section 52-10, including marihuana, to any person under the age of twenty years, or inducing any person under the age of twenty years to buy, traffic in, receive, take, inject, inhale, or smoke any narcotic drug as defined by section 52-10, including marihuana, except as permitted by this part, shall be fined not more than \$1,000 and imprisoned at hard labor not more than twenty years for the first offense, and fined not more than \$2,000 and imprisoned at hard labor for life for any subsequent offense."

SECTION 4. Section 52-14 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the numbers "52-24" in the fifth line thereof and substituting therefor the numbers "52-10".

SECTION 5. Section 52-19 of the Revised Laws of Hawaii 1955 is

hereby amended by adding a new paragraph at the end thereof to read as follows:

"This section shall not apply to sales of tincture of opium (paregoric) which shall be sold on prescription only unless the paregoric sold contains in addition to the narcotic drug some drug or drugs adapted in quantity and quality to prevent the use of the preparation for the gratification of narcotic addiction."

SECTION 6. Section 52-23 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 52-23. Obtaining drugs from a physician while under treatment from another.** No person, who in the course of treatment is supplied with narcotic drugs or a prescription by a physician, shall obtain narcotic drugs or prescription from another physician without disclosing that he has been treated and supplied with narcotic drugs or prescription by another physician."

SECTION 7. Section 52-24 of the Revised Laws of Hawaii 1955 is hereby amended by adding a new paragraph at the end thereof to read as follows:

"Nothing in this section shall apply to any person in valid possession of a valid license issued by the board of health, to traffic in marihuana."

SECTION 8. **Severability.** If any section, subsection, paragraph, sentence, clause or phrase of this Act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this act. The legislature hereby declares that it would have approved this Act and each section, subsection, paragraph, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid.

SECTION 9. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **H.B. 525.**

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## ACT 229

An Act Relating to Residence Requirements for Directors of a Public Utility.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 105-1 of the Revised Laws of Hawaii 1955, as amended, is hereby deleted and substituted therefor is a new section to read as follows:

"Section 105-1. All officers and employees, save and except for one officer, in the service of any public utility shall be residents of the Territory for at least three years immediately preceding their appointment or election as the case may be; provided, that in cases where it is not reasonably practicable to obtain persons with the foregoing qualification competent for such service, persons without such qualification may be employed until persons with such qualification competent for such service can be obtained; provided, further,

that the above provision shall not apply to any officer or employee in the service of any public utility on May 20, 1945. Twenty-five per cent of the directors of any public utility may be non-residents of the Territory of Hawaii throughout the time they serve as such directors. The provisions of this Act shall apply to all public utilities regardless of any provision in their franchise, charter, license or articles of association to the contrary notwithstanding."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **H.B. 1385.**

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### ACT 230

An Act to Amend Act 74, Session Laws of Hawaii 1957, Relating to Agricultural Unemployment Compensation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Declaration of legislative intent.** It is hereby declared that the legislative intent herein is to continue in effect the provisions of Act 74 of the Session Laws of Hawaii 1957, except as otherwise provided herein, in order that certain agricultural employees who have been covered under the provisions of Chapter 93 of the Revised Laws of Hawaii 1955, as amended, by any law enacted by the Thirtieth Legislature of the Territory of Hawaii shall also be covered by the provisions of said Act 74, as amended herein, in order that they may be assured that any rights or privileges heretofore or now accrued under said Act 74 shall be preserved and remain in effect until the date provided herein after which no claims for benefits for benefit years beginning on and after said date within which time it is deemed that such workers would become eligible for benefits under said Chapter 93; provided, however, that this Act shall not be construed to prevent or prohibit in any way or manner the accruing of wage credits and other rights or privileges in the future by any agricultural employee covered by said Act 74 now or hereafter, but prior to the date after which no such claims may be filed.

SECTION 2. Section 19 of Act 74, Session Laws of Hawaii 1957, is hereby amended to read as follows:

**"Section 19. Reserve accounts of successive agricultural employers.**

(a) If an employer or agricultural employer succeeds to or in any manner acquires the organization, trade or business of another agricultural employer, the successor in interest is hereby required to assume the resources and liabilities of such employer's reserve account.

(b) Notwithstanding the provisions of subsection (a), any employing unit which acquires a portion of the organization, trade or business from an employer for whom a reserve account has been maintained by the board, and who is, or by reason of such acquisition becomes, an agricultural employer, shall assume the position of such employer with respect to the resources and liabilities of such reserve account in proportion to the extent of such acquisition as agreed upon by the parties in interest and approved by the board, and the taxable payrolls, benefit

charges and the potential benefit charges shall likewise be assumed by the successors in interest in a like proportion."

SECTION 3. Section 21 of Act 74, Session Laws of Hawaii 1957, is hereby amended to read as follows:

**"Section 21. Payments to revolving Fund.** Every agricultural employer shall pay to the board the amount of all benefits paid by the board pursuant to this chapter for his account which cannot be paid from his reserve account because of the exhaustion of his reserve account or because he has previously been exempted from contributions to the agricultural unemployment compensation fund. If an employer shall succeed to or acquire the organization, trade or business of an agricultural employer, the successor in interest is hereby required to assume the liability of the predecessor employer with respect to payments by the board for the account of the predecessor employer."

SECTION 4. Section 26 of Act 74, Session Laws of Hawaii 1957, is hereby amended in the following respects:

(1) By amending subsection (c) of said section to read as follows:

"(c) Except for benefits paid under the circumstances specified in section 27(b), each agricultural employer's reserve account shall be charged with all benefits paid to an eligible agricultural employee which are chargeable to such reserve account under this section."

(2) By amending subsection (d) of said section to read as follows:

"(d) An agricultural employer's reserve account shall be deemed to be terminated if he has ceased to be subject to this chapter and his account has been closed and any balance remaining therein has been credited to the fund's pooled account or to a successor's account as provided in section 19."

(3) By deleting from said section, subsection (e) thereof.

SECTION 5. Section 27 of Act 74, Session Laws of Hawaii 1957, is hereby amended in the following respects:

(1) By amending paragraph (2) of subsection (a) of said section to read as follows:

"(2) Except as provided in section 19, any balance remaining in the reserve account of any agricultural employer after such employer has ceased to be subject to this chapter."

(2) By amending subsection (b) of said section to read as follows:

"(b) Benefits paid through error, including benefits paid pursuant to a determination or redetermination or decision which is finally reversed in subsequent proceedings with respect thereto, to employees of agricultural employers who have reserve accounts, shall be charged against the pooled account."

(3) By deleting from said section subsection (c) thereof.

(4) By deleting from said section subsection (d) thereof.

SECTION 6. Section 31 of Act 74, Session Laws of Hawaii 1957, is hereby amended by amending subsection (b) thereof to read as follows:

"(b) Benefits due and payable to an eligible individual shall not lapse because of exhaustion of moneys in an agricultural employer's reserve account. Such benefits shall be paid from the revolving fund after the exhaustion of moneys in an agricultural employer's reserve account."

SECTION 7. Section 36 of Act 74, Session Laws of Hawaii 1957, is hereby amended by amending subsection (b) thereof to read as follows:

"(b) All moneys in said revolving fund are hereby appropriated for payment of benefits to eligible agricultural employees whose employers have no reserve accounts or whose reserve accounts have become exhausted, which benefits shall be disbursed in the same manner as benefits are disbursed under section 24."

SECTION 8. Section 37 of Act 74, Session Laws of Hawaii 1957, is hereby amended in the following respects:

(1) By amending subsection (b) thereof to read as follows:

"(b) Whenever the board determines that the agricultural unemployment compensation administration fund is insufficient for purposes of administering this chapter, it shall assess every agricultural employer an amount equal to not more than one-tenth (1/10) of one per cent of his annual payroll as defined in section 20. Assessments shall become due and be paid by each agricultural employer in accordance with such regulations as the board may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in his employ."

(2) By deleting subsection (c) therefrom.

SECTION 9. Section 39 of Act 74, Session Laws of Hawaii 1957, is hereby amended by amending subsection (a) thereof to read as follows:

"(a) Benefits shall be deemed to be due and payable under this chapter only to the extent provided in this chapter, and to the extent that moneys are available therefor to the credit of a base period agricultural employer's or employer's reserve account or accounts or to the credit of the revolving fund, and the board shall not be liable for any amount in excess of such sums."

SECTION 10. Act 74, Session Laws of Hawaii 1957, is hereby amended by deleting therefrom sections 17, 18, 28, and 29.

SECTION 11. Act 74, Session Laws of Hawaii 1957, is hereby amended by adding a new section thereto appropriately numbered and reading as follows:

**Section . Accrued rights and privileges.** Any provision of any law to the contrary notwithstanding, the rights and privileges heretofore and now accrued under this Act by agricultural employees shall remain in effect."

SECTION 12. Starting June 26, 1960, no claims for benefits for benefit years beginning on or after said date shall be filed with the board under Act 74 of the Session Laws of Hawaii 1957. Any agricultural employee who has made a claim for benefits under said Act on or prior to June 25, 1960 and who is otherwise eligible and qualified for benefits under the provisions of said Act shall receive benefits under the provisions therein until he has exhausted his benefits or until his benefit year has expired, and such benefits shall be paid and charged against the account of his agricultural employer or from the revolving fund as provided therein.

SECTION 13. Upon exhaustion of benefits or upon expiration of benefit years of all claimants who are eligible and qualified for benefits under Section 12 above, and as soon as practicable thereafter, the com-

mission of labor and industrial relations shall requisition from the agricultural unemployment compensation fund and the agricultural unemployment compensation administration fund all moneys therein. Such moneys shall be refunded to the agricultural employers who have made contributions under Act 74, Session Laws of Hawaii 1957, on the following basis: each such employer shall be entitled to the total of the contributions paid by him less the total of benefits charged to his account pursuant to the applicable provisions of said Act, and if there are not sufficient moneys to pay all expenses and to pay to all such employers the amounts to which they are respectively entitled as aforesaid, then the amounts which such employers shall receive shall be reduced proportionately. If, after the payment of all expenses and the payment to the employers of the amounts to which they are entitled as aforesaid, there are any moneys undisposed of, the same shall be held for disposition as the legislature may prescribe. Any moneys remaining in the revolving fund created by said Act 74, Session Laws of Hawaii 1957, shall be refunded to the general fund of the Territory after the exhaustion of benefits or upon expiration of benefit years of claimants who are eligible and qualified for benefit years under Section 12 above.

SECTION 14. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 47.**

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**ACT 231**

An Act Relating to the Insurance Laws of the Territory of Hawaii and Amending Sections 181-387, 181-420, 181-511, 181-375 and 181-382, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 181-387, Revised Laws of Hawaii 1955, as amended by Act 310, Session Laws of Hawaii 1957, is hereby further amended as follows:

a. Subsection (a) thereof is amended to read as follows:

"(a) The insured, if an individual, is not domiciled within this Territory, or, if a partnership, each partner is not domiciled within this Territory, or, if a corporation, is a foreign corporation within the meaning of chapter 174, Revised Laws of Hawaii 1955, or is a corporation wholly owned by such a foreign corporation, or is a corporation formed or organized under the laws of any other territory of the United States;".

b. Add a new subsection (d) to read as follows and reletter the present subsection (d) to (e):

"(d) The commission paid to such nonresident agent or broker by the licensed general agent in the Territory does not exceed the usual rate of commission paid to a resident solicitor;".

SECTION 2. Section 181-420(f), Revised Laws of Hawaii 1955, is hereby amended by adding a new subsection (6) to read as follows and by renumbering the present subsection (6) to (7):

"(6) An insurer may affix to the policy or include therein a written statement that the policy does not cover loss or damage caused by



nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under said policy; provided, however, that nothing herein contained shall be construed to prohibit the attachment to any such policy of an endorsement or endorsements specifically assuming coverage or loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination."

SECTION 3. Section 181-511(a), Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"(a) The benefits payable under any policy or contract of group or blanket disability insurance shall be payable to the insured member of the group or to the beneficiary designated by him, other than the policyholder, employer or the association or any officer thereof as such, subject to provisions of the policy in the event the claimant is insane, or otherwise incompetent, or in the event there is no designated beneficiary as to all or any part of any sum payable at the death of the individual insured; provided, however, that if the entire cost of the insurance has been borne by the employer such benefits may be made payable to the employer."

SECTION 4. Section 181-375(a)(3), Revised Laws of Hawaii 1955, is hereby amended by deleting therefrom the words "one year" and substituting therefor the words "two years".

SECTION 5. Section 181-382(c)(1), Revised Laws of Hawaii 1955, is hereby amended by deleting the period at the end of such subsection and adding thereto the words "within the immediately preceding two year period."

SECTION 6. Section 181-382(c)(3), Revised Laws of Hawaii 1955, is hereby amended by deleting therefrom the word "year" and substituting therefor the words "two year period."

SECTION 7. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 532.**

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## ACT 232

An Act Relating to Employment Security, and Amending Chapter 93, Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsection (a) of section 93-43, Revised Laws of Hawaii 1955, is hereby amended to read:

"(a) Any person who has received any amount as benefits under this chapter to which he was not entitled shall be liable for such amount unless the overpayment was received without fault on the part of the recipient and its recovery would be against equity and good conscience. Notice of redetermination in such cases shall specify that the person is liable to repay to the fund the amount of overpaid benefits, the basis of the overpayment, and the week or weeks for which such benefits were paid."

SECTION 2. Section 93-33, Revised Laws of Hawaii 1955, is hereby amended by adding a new subsection to be appropriately numbered and to read:

“( ) At any time within one year from the end of any week with respect to which a determination allowing or denying waiting-week credit or benefit has been made, the Board on its own motion may reconsider such determination if it finds that an overpayment, due to reasons other than fraud, has occurred.”

SECTION 3. Subsection (e) of section 93-29, Revised Laws of Hawaii 1955, is hereby amended to read:

“(e) If the board finds that he has within the twenty-four calendar months immediately preceding any week of his unemployment made a false statement or representation of a material fact knowing it to be false or knowingly failed to disclose a material fact to obtain any benefits not due under this chapter, he shall be disqualified for the week in which the board makes such determination and for not more than the fifty-one weeks immediately following such week; provided, that no disqualification shall be imposed if proceedings have been undertaken against the individual under section 93-140.”

SECTION 4. Section 93-7(i)(1)(iv), Revised Laws of Hawaii 1955, is hereby amended to read:

“(iv) such service is performed by a duly ordained, commissioned or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of nonsecular duties required by such order;”.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 543.**

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### ACT 233

An Act Amending Section 99-43 Revised Laws of Hawaii 1955, Relating to Quitclaim Deeds to Perfect Titles to Private Lands.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 99-43 Revised Laws of Hawaii 1955 is hereby amended by changing the period at the end of the section to a semicolon and inserting the following:

“provided, however, that no quitclaim deed may be issued where the titles to private lands are subject to reversion to the Territory, or to right of entry for breach of condition subsequent, or where titles to land are held for specific use or uses.”

SECTION 2. This Act shall take effect upon its approval, or, if at the time of its approval the consent of the Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the legislature of the State of Hawaii.

(Approved June 1, 1959.) **S.B. 762.**

**ACT 234**

An Act Relating to Powers and Duties of the Managing Committee, Puumaile and Hilo Memorial Hospital, and Amending Section 146-63 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 146-63 of the Revised Laws of Hawaii 1955 is hereby amended by adding the following paragraphs after the first paragraph to read as follows:

"The managing committee may admit as patients, persons who are suffering from chronic diseases, cancer, and cardio-vascular diseases, provided that sufficient beds are at all times available for persons with tuberculosis eligible for admission to the hospital. Subject to the approval of the Board of Health, the committee may promulgate rules and regulations concerning the admission of such patients and the reimbursement for their care and treatment.

Money appropriated to Puumaile and Hilo Memorial Hospital for the care and treatment of tuberculosis patients may be used to care for patients suffering from such illnesses who are admitted to the hospital.

The managing committee shall be authorized to engage in training programs in medical and allied fields and to enter into contracts with any agencies, organizations or governments for the purpose of furnishing such training as well as expend such funds as may be necessary for the training programs."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 881.**

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**ACT 235**

An Act Relating to County and Municipal Bonds, and Amending Sections 139-1, 139-2, 139-3 and 139-9, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 139-1, Revised Laws of Hawaii 1955, is hereby amended in the following respects:

a. The first paragraph of section 139-1 is amended to read as follows:

**"Sec. 139-1. Issuance authorized; approval; interest; maturity.** The treasurer of each county may, with the approval of the board of supervisors, issue from time to time bonds of such county, with interest coupons attached thereto, to an amount not at any time to be extended beyond such limitations as may be fixed from time to time by the Congress of the United States, the principal and interest to be paid dollar for dollar in any coin or currency of the United States which at the time of payment is legal tender for public and private debts, in the manner, upon the terms and for the purposes of this chapter stated."

b. The second paragraph of section 139-1 is amended to read as follows:

"No such bonds shall be issued, excepting in conformity with this chapter, nor until approved by the President of the United States, if

such approval is required by the Congress of the United States. Such approval on the part of the President if required by the Congress of the United States shall be conclusive proof that all requirements of law have been duly complied with, and that the bonds are in all respects valid and incontestable."

SECTION 2. Section 139-2, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"**Sec. 139-2. Purposes of issuance.** Such bonds shall be issued only for the purpose of meeting the requirements of the county for the erection of penal, charitable and educational institutions, and for public buildings, wharves, roads and harbors and other public improvements."

SECTION 3. Section 139-3, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"**Sec. 139-3. Election to determine issuance.** The board of supervisors of any county may, in its discretion, cause an election to be held in such county on the question of the issuance of such bonds. If, in the event of such an election, at least sixty-five per cent of the registered voters of the county voting at such election vote affirmatively for the issuance of such bonds, or, where the ballot indicates more than one item or project for which bonds may be issued, then in case at least sixty-five per cent of the registered voters of the county voting on such items or projects at such election vote affirmatively for the issuance of bonds for one or more of such items or projects, the treasurer of such county shall issue such bonds as were so affirmatively voted for and not otherwise; provided, that no such issue of bonds shall be made until approved by the President of the United States, where such approval is required by the Congress of the United States."

SECTION 4. Section 139-9, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"**Sec. 139-9. Effect of approval by President.** The approval of such issue of bonds by the President of the United States if such approval is required by the Congress of the United States, shall be conclusive proof that all requirements of law, preliminary to the issuance of such bonds, have been duly complied with, and that the bonds are in all respects valid and incontestable."

SECTION 5. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 1044.**

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## ACT 236

An Act Relating to Membership in the Employees' Retirement System of the Territory of Hawaii, and Amending Section 6-23 of the Revised Laws of Hawaii 1955, as Amended by Act 143 of the Session Laws of Hawaii 1957.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 6-23 of the Revised Laws of Hawaii 1955, as amended by Act 143 of the Session Laws of Hawaii 1957, is hereby

amended by amending the fourth paragraph of said section to read as follows:

"There shall be two classes of members in the system, to be known as class A members and class B members, and to be defined as follows:

(a) Class A members shall be those members who are covered by the provisions of Title II of the Federal Social Security Act on account of service creditable under this chapter. Such Class A members shall consist of: (1) all employees who enter the membership of the retirement system on and after the date the retirement system is divided in accordance with section 6-191.5 except employees in positions to which coverage under Title II of the Social Security Act is not extended; (2) all employees who were members of the retirement system on the date of the division of the system in accordance with section 6-191.5, who elected prior to the date of such division, on a form approved by the board of trustees, to be covered by the Social Security Act and the supplementary benefits provided by this chapter, as amended, in lieu of the benefits provided by this chapter prior to such division, and who agreed to the deduction of their accrued social security taxes, if any, from the accumulated contributions held in their account in the annuity savings fund; (3) all employees who were members of the retirement system on the date of the division of the system in accordance with section 6-191.5, and who did not express a desire to be covered by the Social Security Act, but who elect coverage under the Social Security Act in accordance with section 218(d) (6) (F) thereof and the supplementary benefits provided by this chapter, as amended, in lieu of the benefits provided by this chapter prior to such division, and who agree to the deduction of their accrued social security taxes, if any, from the accumulated contributions held in their account in the annuity savings fund.

(b) Class B members shall consist of all other members in the retirement system."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **S.B. 1267.**

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### ACT 237

An Act to Amend Section 317-44, Revised Laws of Hawaii 1955, Relating to Personal Estates of Hansen's Disease Sufferers.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 317-44 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Sec. 317-44. Estates of personalty under five hundred dollars.** Notwithstanding the foregoing provisions of this part, upon the death of any person who is a patient of any Hansen's disease hospital, leaving only personal property located in its entirety within the institution in which the patient was hospitalized, the value of which does not exceed \$500 in amount, the director, division of Hansen's disease, in the absence of any other executor or administrator, shall collect or otherwise reduce to possession all such personal property, and, if necessary, reduce the

same to cash, shall give notice to creditors within the county of residence of the deceased patient by posting at the entrance to the district court of such county, a notification to present their claims within fifteen days of the giving of the notice, shall pay such claims as are established to his satisfaction or, if the assets are insufficient, prorate the amount among the creditors, and if, after the expiration of such period and the distribution of assets to creditors who have filed established claims, there is personal property remaining, the director shall deliver such property to such person or persons as have been designated to him in writing by the decedent, or, in the event no such person or persons have been designated, shall distribute the same to the heirs in accordance with the statutes of descent of the Territory, and, if no heirs appear, the director shall convert all such personal property into cash and forthwith deposit the same in the territorial treasury.

The director shall report monthly to the president of the board of health all of his activities hereunder and shall include in such report the names of any persons who, during the month covered by the report, have filed with him the written designation provided hereunder, without disclosing in the report the persons named as beneficiaries."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 1, 1959.) S.B. 1276.

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## ACT 238

An Act Relating to Hours of Work and Overtime Work of Public Officers and Employees.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 5-72 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 5-72. Compensatory time and a half off for overtime.** All officers and employees of the Territory or any county, or any independent board or commission thereof who are required to work in excess of their normal work week shall be granted compensatory time and a half off as follows:

(a) Officers and employees whose work week consists of a maximum of two hundred eighty-eight hours of actual service for twenty-eight days shall be granted compensatory time off for all hours worked in excess of seventy-two hours a week at the rate of one and a half hours off for each hour of overtime worked.

(b) All officers and employees not covered by subparagraph (a) of this section shall be granted compensatory time off for all hours of overtime worked in excess of eight hours a day or forty hours a week at the rate of one and a half hours off for each hour of overtime worked.

As to all officers and employees other than police, all compensatory time off shall be granted within thirty days from the day in which the overtime was worked.

As to the police, all compensatory time off shall be granted within ninety days from the day in which the overtime was worked.

If the departments cannot grant the compensatory time off during

the thirty or ninety day period specified aforesaid, then said compensatory time off shall be added to and taken at the same time the employee takes his vacation.

This section shall not be construed to limit the power of any political subdivision to provide by ordinance for the payment of overtime.

The normal work week may be exceeded for operational convenience so long as an average of eighty hours of every two weeks is maintained, in which cases employees shall not be entitled to compensatory time off or overtime pay.

By agreement between an employee and the head of his department, meals may be provided to the employee in exchange for overtime work or in cases where it is not reasonably practicable to allow employees a full lunch period. When meals are provided in exchange for overtime work, the reasonable value of the meals, or its equivalent in terms of hours of work, shall be deducted from the compensatory time off or the overtime pay to which such employees are entitled under the provisions of this section."

SECTION 2. The provisions of this Act shall not apply to the head of any department, his deputy or first assistants, or to the head of a division or bureau of a major department.

SECTION 3. This Act shall take effect on July 1, 1959.

(Approved June 1, 1959.) H.B. 32.

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## ACT 239

An Act Relating to the Public Utilities Commission and Amending Section 104-15, Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 104-15, Revised Laws of Hawaii 1955, as amended, is hereby repealed and substituted therefor is a new section to read as follows:

**"Sec. 104-15. Regulate rates, etc., hearings, notice of hearings, appeals.** All rates, fares, charges, classifications, rules and practices made, charged or observed by any public utility, or by two or more public utilities jointly, shall be just and reasonable and shall be fixed by order of the commission, and no such rate, fare, charge, classification, rule or practice shall be abandoned, changed, modified or departed from without the prior approval of the commission. The commission shall not approve any increase in rates without conducting an advertised public hearing or hearings thereon on the island on which the utility is situated. No rates shall be increased nor shall any hearings be held unless notice of the hearing, with the purpose thereof and the date, time and place at which it will open, has been advertised not less than once in each of three weeks in a newspaper published in and of general circulation in the Territory, the first publication being not less than twenty-one days prior to such hearing and the last publication being not more than two days prior to the scheduled hearing. The applicant or applicants will notify their consumers or patrons of the proposed change in rates and

of the time and place of the hearing not less than one week prior to the date set, the manner and the fact of notification to be reported to the commission prior to the date of hearing. The commission is authorized to use such additional media as radio or television to advise the public if it finds it necessary to do so. The commission may, after a hearing, by order regulate, fix and change all such rates, fares, charges, classifications, rules and practices, so that the same shall be just and reasonable, and prohibit rebates and unreasonable discrimination between localities, or between users or consumers, under substantially similar conditions, regulate the manner in which the property of every public utility is operated with reference to the safety and accommodation of the public, prescribe its form and method of keeping accounts, books and records, and its accounting system, regulate the return upon its public utility property, the incurring of indebtedness relating to its public utility business, and its financial transactions, and do all things in addition which are necessary and in the exercise of such power and jurisdiction, all of which as so ordered, regulated, fixed and changed shall be just and reasonable, and such as shall provide a fair return on the property of the utility actually used or useful for public utility purposes. From every order made by the commission under the provisions of this chapter an appeal shall lie to the supreme court in like manner as an appeal lies from an order or decision of a circuit judge at chambers. The appeal shall not of itself stay the operation of the order appealed from, but the supreme court may stay the same after a hearing upon a motion therefor, upon such conditions as it may deem proper as to giving a bond and keeping the necessary accounts or otherwise in order to secure a restitution of the excess charges, if any, made during the pendency of the appeal in case the order appealed from should be sustained in whole or in part."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **H.B. 210.**

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## ACT 240

An Act to Amend Chapter 97 of the Revised Laws of Hawaii 1955, as Amended, Relating to Workmen's Compensation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 97 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) By amending the paragraphs defining "Workman" and "Industrial employment" in section 97-1 to read as follows:

"'Workman' is used as synonymous with 'employee' and means any person who has entered into the employment of, or works under contract of service or apprenticeship with, an employer. It does not include a person whose employment is purely casual and not for the purpose of the employer's trade or business; provided, that where an employee is loaned or hired out to another person (herein referred to as the 'borrower'), for the purpose of furthering the borrower's trade or business, the employee shall, beginning with the time when the control of the



employee is transferred to the borrower and continuing until he shall be again returned to the control of the original employer, be deemed to be the borrower's employee regardless of whether he is paid directly by the borrower or not. 'Employee' as used in this chapter means every person including officials in the service of the Territory, and all counties, and all other political subdivisions within the Territory, whether elected or under any appointment or contract of hire express or implied.

'Industrial employment' in the case of private employers, includes employment only in trade, occupation or profession which is carried on by the employer for the sake of pecuniary gain. 'Public employment' means employment by the Territory, or by a county, or by any political subdivision of the Territory."

(b) By amending section 97-5 to read as follows:

**"Sec. 97-5. Territorial and municipal bodies.** This chapter shall apply to employees as defined in section 97-1, including employees of the Territory, and all counties, and all other political subdivisions within the Territory."

(c) By amending section 97-25 as follows:

(1) Amend the last paragraph of section 97-25(a) to read as follows:

"The liability of an employer for compensation for permanent total disability shall not exceed \$25,000. After such amount has been paid by the employer, the injured employee shall be entitled to further compensation at the same rate theretofore received by him from the special compensation fund."

(d) By amending section 97-26 as follows:

(1) Amend the first paragraph of section 97-26(a) to read:

**"Sec. 97-26. (a) Permanent partial disability.** Where the injury causes a disability partial in character but permanent in duration, the employer shall pay the injured employee, regardless of his immediate subsequent ability for work, a weekly compensation equal to sixty-six and two-thirds per cent of his average weekly wages but not more than \$112.50 nor less than \$18 a week (except that the weekly compensation of an employee whose average weekly wages are less than \$18 a week shall be the full amount of his average weekly wages) for the period named in the schedule as follows:"

(e) By amending section 97-52 by deleting therefrom the words "one year" wherever they appear in the section and substituting in lieu thereof the words "two years".

(f) By adding a new section after section 97-57 entitled and numbered as follows:

**"Sec. 97-57A. Presumptions.** In any proceeding for the enforcement of a claim for compensation under this chapter it shall be presumed, in the absence of substantial evidence to the contrary:

- (1) That the claim comes within the provisions of this chapter;
- (2) That sufficient notice of such injury has been given;
- (3) That the injury was not caused by the intoxication of the injured employee; and

(4) That the injury was not caused by the willful intention of the injured employee to injure or kill himself or another.

(g) By amending section 97-81 by inserting a new paragraph immediately preceding the last paragraph thereof to read:

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"A copy of the final report of the attending physician or surgeon shall be furnished to the injured employee by the director; provided, that if more than one physician or surgeon should treat or examine the employee, a copy of the final report of each such physician or surgeon shall be furnished the injured employee by the director."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved June 1, 1959.) **H.B. 232.**

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## ACT 241

An Act to Amend Chapter 97 of the Revised Laws of Hawaii 1955, as Amended, Relating to Workmen's Compensation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 97 of the Revised Laws of Hawaii 1955 is hereby amended by amending section 97-30 thereof by substituting a semicolon in lieu of the period at the end of the first paragraph thereof and inserting the following after the semicolon:

"provided, further, that the average weekly wages of any workman shall be determined in all cases to be not less than the average weekly wages of a person employed in the same grade by the employer as a full-time employee on an annual basis."

SECTION 2. Section 97-69 of the Revised Laws of Hawaii 1955, as amended, is hereby deleted and the following substituted therefor:

"Section 97-69. **Costs.** If the director, appellate board, or any court before which any proceedings are brought under this chapter, determines that the proceedings have been brought, prosecuted or defended without reasonable ground he may assess the whole cost of the proceedings upon the party who has so brought, prosecuted or defended them; provided, that if an employer appeals a decision and award of the director, appellate board or the circuit court, the costs of the proceedings before the appellate board, circuit court or the supreme court of the Territory of Hawaii, together with reasonable attorney's fees, shall be assessed against the employer if the employer should lose."

SECTION 3. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **H.B. 248.**

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## ACT 242

An Act Providing a Bonus for Pensioners and Making an Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Every pension payable under the employees' retirement system of the Territory of Hawaii or payable under or pursuant to any law of the Territory, or by any county or independent public board or commission, shall be increased by a bonus for each month for the period commencing July 1, 1959, and ending June 30, 1961, any provision in any law to the contrary notwithstanding as follows:

1. Fifty dollars (\$50.00) per month to those retirants and pensioners who had 10 or more years of service; provided, however, that any member of the police force, fire department or band who is retired because of physical or mental disability due to any injury or disease incurred while in the performance of his duty shall be entitled to receive the bonus payment without meeting the said minimum service requirement;

2. Twenty dollars (\$20.00) per month additional to the above bonus to those retirants or pensioners who retired before July 1, 1945;

3. Twenty dollars (\$20.00) per month additional to the above bonus or bonuses to those retirants or pensioners who have had 21 or more years of service; provided, that if the pension as increased by said bonus or bonuses does not equal one hundred thirty dollars (\$130.00) per month, the bonus shall be further increased by such sum, not in excess of twenty dollars (\$20.00) as will bring the total of the pension and bonus to one hundred and thirty dollars (\$130.00) per month; provided, further, that where the dependents of a deceased pensioner are receiving pension by reason of his death, the total only of all amounts paid to such dependents shall be so increased, and the increase herein provided for shall be shared by them in proportion to the respective amounts of pension receivable by them exclusive of this increase.

SECTION 2. No pension payable under the employees' retirement system shall be increased by any bonus for pensioners unless the beneficiary thereof, or the person for whose service the pension is payable, has had sufficient service to qualify for the minimum service retirement allowance, except as provided in subparagraph 1 of Section 1, and no funds appropriated in this Act or by any other Act shall be paid in violation of this provision; provided, however, that this provision shall not operate to increase the pension of any person who was receiving a pensioners' bonus on July 1, 1951, without having met the minimum service requirement, but such person shall continue to receive the pension he was receiving on June 30, 1955.

SECTION 3. The provisions of this Act shall not apply to any person who may retire or may have retired on or after July 1, 1957, and who will receive or who is receiving social security benefits upon his retirement when said benefits are based on contributions made by the Territory of Hawaii or any of its political subdivisions.

SECTION 4. The board of trustees of the employees' retirement system of the Territory of Hawaii is hereby authorized and directed to pay the bonus to pensioners under said system, the territorial auditor is hereby authorized and directed to pay the bonus to all territorial pensioners who are not under said system, and the appropriate officer of each county, and each independent board or commission hereby affected, is hereby authorized and directed to pay the bonus granted to pensioners whose pensions are payable by said respective counties, boards and commissions, all such payments to be made from allotments pursuant to section 5; and all such boards, commissions and officers are hereby directed to certify to the director of the bureau of the budget, promptly upon the enactment of this Act, the amounts required to meet such bonus payments to and including December 31, 1959, and to similarly

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certify the amounts required every six months, as directed by the bureau of the budget.

SECTION 5. There is hereby appropriated from the general revenues of the Territory the sum of \$4,137,720 to pay the bonus provided for by sections 1 and 2 of this Act. Such appropriation shall be allotted by the director of the bureau of the budget, with the approval of the governor, to the several boards, commissions and officers required to make such payments, except where there is a specific provision for payment of the bonus from other funds, and in the case of the counties the money so allotted shall be paid into the county treasuries and held in special funds solely for such purpose.

SECTION 6. The board of trustees of the employees' retirement system shall make a study of granting bonus to pensioners and shall formulate a long-range plan which will eliminate the necessity of changing the Territory's pension laws each sessions. The board of trustees shall make a report of its findings, conclusions and recommendations to the first State Legislature of Hawaii, sitting in budget session.

SECTION 7. Any veteran who may qualify for a non-service connected pension through the veteran's administration may waive any portion or all of the benefits that he may receive under this Act.

SECTION 8. This Act shall take effect on July 1, 1959.

(Approved June 1, 1959.) **H.B. 739.**

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## ACT 243

An Act to Amend Chapter 160, Part V, Revised Laws of Hawaii 1955, as Amended, Relating to the Licensing of Motor Vehicle Dealers and Salesmen.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 160, Part V, Revised Laws of Hawaii 1955, as amended, is hereby amended as follows:

1. By substituting the words "Motor Vehicle Dealers Licensing Board" for the words "motor vehicle dealers' salesmen's, brokers', and brokers' agents' licensing board" wherever the same appear in the eleventh unnumbered paragraph in Section 160-160, in the first sentence in Section 160-162, and in the first sentence in Section 160-165.

2. By amending subsection (a) of Section 160-167 by deleting the word "or" immediately preceding clause (7) therein, and by substituting a semi-colon for the period appearing at the end of the subsection, and by adding thereto the following:  
"or (8) has not reached the age of 20 years."

3. By amending the first paragraph of subsection (h) of Section 160-167.5 to read as follows:

"(h) If the applicant is to engage in the business of negotiating for the purchase of new motor vehicles, such written evidence, in the form of an affidavit or otherwise, as will satisfy the board that the applicant is or will be duly authorized by the manufacturer, authorized licensed distributor of such motor vehicles, dealers having the authority of a

contract with a manufacturer or manufacturer's representative thereof, to sell or to negotiate for the sale of new motor vehicles, and that all vehicles purchased through him will have a good, clear title and would carry the standard manufacturer's and factory warranties."

4. By amending Section 160-167.55 (a) by adding thereto a new subsection to be numbered (8) to read as follows:

"(8) has not reached the age of 20 years."

5. By amending Section 160-167.555 to read as follows:

**"Section 160-167.555. Disclosure of dealer and broker.** Where a person licensed according to the provisions of this part represents a buyer in the Territory in purchasing or attempting to purchase a motor vehicle from or through a dealer or broker not licensed in the Territory (hereinafter called 'nonresident') residing or doing business without the Territory or acts as a broker or agent in negotiating for the sale of a motor vehicle from or through such nonresident to a buyer in the Territory, then in such cases he shall file with the board each month a statement showing the name and address of all such nonresidents with whom he has actually negotiated any such sale for the past month and with whom he is authorized in writing to negotiate or continue to negotiate or to make such sales. All such statements shall be under oath."

6. By amending Section 160-167.6 to read as follows:

**"Section 160-167.6. Delivery of contract required.** In the event any person licensed according to the provisions of this part represents a buyer in the Territory in purchasing or attempting to purchase a motor vehicle from or through a dealer or broker not licensed in the Territory (hereinafter called 'nonresident') residing or doing business without the Territory or acts as a broker or agent in negotiating for the sale of a motor vehicle from or through such nonresident to the buyer in the Territory, then in such event, he shall deliver to the buyer upon execution, a copy of the contract or agreement covering such transaction which shall include the make, model, type, year and price of the motor vehicle, the name and address of the nonresident through whom the sale or purchase is negotiated."

7. By adding to said part a new section to be numbered and to read as follows:

**"Section 160-167.66. Principals held responsible.** Every motor vehicle dealer or broker shall be held strictly responsible for the conduct of all his agents and employees in all transactions regarding motor vehicles. No such dealer or broker shall permit any person to sell or exchange or offer to sell or exchange any motor vehicle in or upon the premises or locations specified in his license or elsewhere unless such person is duly licensed to sell as provided in this part. Any violation of this section shall subject such dealer or broker to suspension or revocation of his license by the board."

8. By adding to said part a new section to be numbered and to read as follows:

**"Section 160-167.666. Records to be kept.** Every motor vehicle dealer or broker shall keep a record of the purchases, consignments, sales and exchanges, moneys, commissions, or any other thing of value paid or

agreed to be paid to any person for each motor vehicle purchased, sold, consigned to be sold, or exchanged, and said record shall be at all times open to the inspection of the board or any peace officer designated by the board to inspect said record. Said record shall contain:

- (a) the names and addresses of all persons from whom any motor vehicle is purchased or received;
- (b) the names and addresses of all persons to whom any motor vehicle is sold, consigned to be sold or exchanged;
- (c) the names and addresses of all persons who have received any moneys, commissions, or any other thing of value, or to whom the same is due and owing, in connection with the sale of any motor vehicle; and
- (d) the license number, motor number, serial number, and style of any such motor vehicle.

9. By amending subsection (a) of Section 160-168 to read as follows:

**"Section 160-168. Bond of dealer and broker.** (a) Each new motor vehicle dealer or broker receiving a license shall keep in force a bond to the board in the penal sum of \$25,000 if the license is for the city and county of Honolulu and \$3,000 if the license is for any other county. Each used motor vehicle dealer shall give and keep in force a bond to the board in the penal sum of \$10,000 if the license is for the city and county of Honolulu and \$2,000 if the license is for any other county. More than one bond may be furnished by the same applicant, provided they aggregate the full amount prescribed by this section. If any bond is not (a) executed by a surety company authorized to do business in the Territory or (b) secured by a deposit of cash with the board in lieu of surety, then the provisions of Sections 9-32, 9-33 and 9-34 shall be applicable as nearly as may be to furnishing of such bond and the surety or sureties and the security thereof, with the substitution of the board hereunder for the awarding officer mentioned in Sections 9-32 and 9-34 *mutatis mutandis*."

10. By amending subsection (b) of Section 160-168 by deleting the figure "\$3,000" and substituting therefor the figure "\$5,000".

11. By amending subsection (a) of Section 160-170 by deleting the word "or" immediately preceding subparagraph (5) therein, and by substituting a semi-colon and the word "or" for the period at the end of subparagraph (5); and by adding thereto the following subparagraph to be numbered (6) and to read as follows:

"(6) has not reached the age of 20 years."

12. By amending Section 160-170.55 by deleting the word "or" immediately preceding subparagraph (5) therein and by adding thereto at the end of subparagraph (5) the word "or" and adding a new subparagraph to be numbered (6) and to read as follows:

"(6) has not reached the age of 20 years."

13. By amending Section 160-170.555 by deleting the figure "\$1,000" appearing in the 4th line of said section and by substituting in lieu thereof the figure "\$2,500".

14. By amending the second unnumbered paragraph in Section 160-171 by deleting the figure "\$200.00" appearing in the sixth line therein following the word "Honolulu", and by substituting in lieu thereof the figure "\$300.00"; by deleting the figure "\$50.00" appearing in the tenth

and sixteenth lines therein following the word "Honolulu", and by substituting in lieu thereof the figure "\$75.00"; and by deleting the figure "\$7.50" appearing in the twentieth line therein following the word "Honolulu", and by substituting in lieu thereof the figure "\$10.00".

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved June 1, 1959.) **H.B. 1252.**

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### ACT 244

An Act Authorizing the Board of Harbor Commissioners to Assist the United States District Engineer's Office in Expediting the Survey by the Engineer's Office of the Coast of the Hawaiian Islands for Establishing Harbors for Refuge and Other Purposes, and Making an Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. There is hereby appropriated out of the general revenues or the general obligation bond fund of the Territory, not otherwise appropriated, the sum of \$50,000 or so much thereof as shall be necessary, to be expended by the Board of Harbor Commissioners for the purpose of assisting the United States District Engineer's office in expediting the survey now being conducted by the engineer's office of the coast of the Hawaiian Islands for establishing possible harbors for refuge and other purposes throughout the territory.

SECTION 2. The funds hereby appropriated shall be expended by the board of harbor commissioners for the designated purposes.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 1, 1959.) **H.B. 1469.**

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### ACT 245

An Act to Require Bidding for All Licenses, Permits, Leases and Other Agreements Whereby a Governmental Agency Grants to Private Persons the Right to Operate Concessions for Profit, and Providing Penalties.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. No concessions or concession space to sell goods, wares, merchandise, and services or to operate restaurants, cocktail lounges, soda fountains and parking areas in any building or on any land owned or under the jurisdiction of the Territory or any county or any independent board, commission, bureau or agency of the Territory or of the various counties, except such concessions or space set aside for the use of handicapped persons, or blind persons or any department, bureau, organization or municipal or political subdivision of the federal, territorial, municipal or county governments, shall be leased, rented out, let, assigned or disposed of either by contract, lease, license permit or any other arrangement to any private person, except under contract let

after public advertisement for sealed tenders, in the manner provided by law.

**SECTION 2. Qualification of bidders.** Before any prospective bidder shall be entitled to submit any bid for the occupancy of any such space, he shall, not less than six calendar days prior to the day designated for opening bids, give written notice to the officer charged with letting such contract of his intention to bid, and such officer shall satisfy himself of the prospective bidder's financial ability, experience and competence to carry out the terms and conditions of any contract that may be awarded. For this purpose, such officer may, in his discretion, require prospective bidders to submit answers, under oath, to questions contained in a form of questionnaire setting forth a complete statement of the experience, competence and financial standing of such prospective bidders. Whenever it appears to such officer, from answers to the questionnaire or otherwise, that any prospective bidder is not fully qualified and able to carry out the terms and conditions of the contract that may be awarded, such officer shall, after affording such prospective bidder an opportunity to be heard and if still of the opinion that the bidder is not fully qualified to carry out the terms and conditions of the contract, that may be awarded, refuse to receive or consider any bid offered by such prospective bidder. All information contained in the answers to questionnaires shall remain confidential, and any government officer or employee who knowingly divulges or permits to be divulged any such information to any person not fully entitled thereto shall be fined not more than \$250. Questionnaires so submitted shall be returned to the bidders after having served their purpose.

**SECTION 3. Advertisement for bids.** Publication of a call for tenders shall be made not less than three different days in a newspaper of general circulation printed and published within the Territory, with respect to any territorial agency or of general circulation within the particular county with respect to any county or county agency.

**SECTION 4. Bids; opening; rejection.** The time of opening of such tenders shall be not less than five days after the last publication. All bids shall be sealed and delivered to the officer advertising therefor and shall be opened by him at the hour and place to be stated in the call for tenders in the presence of all bidders who attend, and may be inspected by any bidder. All bids which do not comply with the requirements of the call for tenders shall be rejected. The officer calling for bids may reject any or all bids and waive any defects when in his opinion such rejection or waiver will be for the best interest of the public.

**SECTION 5. Deposits of legal tender, etc., to accompany bid.** All bids shall be accompanied by a deposit of legal tender or by a certificate of deposit or certified check on a bank doing business within the Territory, for or in a sum equal to five per cent of the amount bid, or the sum of \$1000, whichever is the lesser amount, payable at sight to the officer advertising for tenders.

**SECTION 6. Forfeiture of deposits, etc.; return thereof.** If the bidder to whom the contract is awarded fails or neglects to enter into the contract and furnish satisfactory security, as required by Sections 9 and 10 of this Act, within ten days after the award or within such further



time as the officer awarding the contract may allow, the officer shall pay the amount of the deposit into the treasury as a realization of the Territory, county, or other governmental agency, as the case may be. If the contract is entered into and the security furnished within the required time, the deposit, certificate or check shall be returned to the successful bidder. The deposits made by the unsuccessful bidders shall be returned to them after the contract is entered into or, if the contract is not awarded or entered into, after the officer's determination to publish another call for tenders.

**SECTION 7. Bond may be substituted for deposits, etc.** In lieu of the deposit of legal tender or certificate of deposit or certified check, a bid may be accompanied by a surety bond executed to the officer calling for bids by the bidder as principal, and by any corporation organized for the purpose of becoming surety on bonds, authorized under the laws of the United States or of the Territory to act as surety and doing business in the Territory under the provisions of the laws of the United States or of the Territory, if a foreign corporation, and under the laws of the Territory, if a Hawaiian corporation, as surety, in a penal sum of equal amount, conditioned upon the bidder entering into the contract and furnishing satisfactory security within ten days after the award or within such further time as the officer may allow, if the bidder is awarded the contract.

**SECTION 8. Contracts to be in writing; highest responsible bidder.** All such contracts shall be in writing; shall be executed by the officer letting the same in the name of the Territory, county, or the board, bureau or commission thereof authorized to let contracts in its own name, as the case may be, and shall be made with the highest responsible bidder, if such bidder shall qualify by providing the security required by Sections 9 and 10 of this Act. If the highest and best bid or any other bid has been rejected, or if the bidder to whom the contract was awarded has failed to enter into the contract and furnish satisfactory security, the officer may, in his discretion, award the contract to the next highest and best remaining responsible bidder.

**SECTION 9. Bond; conditions.** Before any contract is entered into, the party with whom the same is proposed to be made shall give security for the performance thereof by a good and sufficient bond conditioned for the full and faithful performance of the contract in accordance with the terms and intent thereof, which bond shall be in an amount equal to two months' rental or other charge required under the contract. Such bond shall also by its terms inure to the benefit of the Territory of Hawaii or of the county, as the case may be.

**SECTION 10. Surety on bond; justification.** A surety company authorized to do business under the laws of the Territory may be accepted as surety on such bond, whenever, in the opinion of the officer letting the contract, the rights of all parties in interest will be fully protected. If the surety or sureties on such bond, whether individual or corporate, shall be other than a surety company authorized to do business under the laws of the Territory, there shall be not more than four such sureties who shall severally justify in such amounts as, taken together, will aggregate the full amount of the bond; provided that in

the case of such other sureties the officer letting the contract shall require that such surety shall also severally deposit with him certified checks or certificates of deposit (payable on demand on or after such period as such officer may stipulate) or bonds, stocks or other negotiable securities, or execute and deliver to such officer a deed or deeds of trust of real property, all of such character as shall be satisfactory to such officer, each surety to furnish such security to the full cash value of one hundred per cent of the amount for which he shall so have justified: provided, further, that the contracting officer may in his discretion waive the necessity of furnishing such security, to any extent that he may deem warranted, in cases where, upon an actual examination, he is satisfied as to the financial responsibility of the proposed surety or sureties; provided that if there be but one personal surety he shall so justify for the full amount of the bond.

**SECTION 11. Violation voids contract.** From and after the effective date of this Act, any contract awarded or executed in violation of sections 1 to 10 of this Act shall be void and of no effect.

**SECTION 12. Penalty.** Any officer of the Territory or of any municipal, county, or other political subdivision thereof, or any person acting under or for such officer or any other person who violates any provisions of sections 1 to 10 of this Act shall be fined not more than \$1,000 or imprisoned not more than one year or both.

**SECTION 13.** This Act shall take effect upon its approval provided that it shall apply to the granting or renewal of contracts, leases, licenses, permits, or any other arrangement for the operation of concessions on governmental property awarded after such date.

(Approved June 1, 1959.) **H.B. 1549.**

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## ACT 246

An Act Relating to Blind and Visually Handicapped Persons, and Amending Sections 109-2, 109-3, 109-5, 109-7, 109-8, 109-9, 109-10, 109-11, 109-23, 109-24, 108-33, 117-15, 121-1, 128-17, 7-20, and 108-4, Revised Laws of Hawaii 1955, as Amended, and Repealing Act 122, Session Laws of Hawaii 1957 and by Amending Said Chapter 109 by Adding Section 109-13 Providing for a Revolving Fund.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Section 109-2 of the Revised Laws of Hawaii 1955 is amended by amending the first sentence thereof to read as follows:

"The bureau may provide vocational rehabilitation for blind and visually handicapped persons."

**SECTION 2.** Section 109-3 of the Revised Laws of Hawaii 1955 is amended to read as follows:

**"Section 109-3. Visually handicapped defined.** A visually handicapped person is one whose vision with correcting lenses is so defective as to interfere with his performance of ordinary activity for which eyesight is essential."

SECTION 3. Section 109-5 of the Revised Laws of Hawaii 1955 is amended to read as follows:

**"Section 109-5. Blind, defined.** The term 'blind' wherever used in the laws of the Territory of Hawaii shall refer to a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses or the widest diameter of his visual field subtends an angle no greater than 20 degrees."

SECTION 4. Section 109-7 of the Revised Laws of Hawaii 1955 is amended by deleting the words "partially-sighted" in the second sentence thereof and substituting therefor the words "visually handicapped."

SECTION 5. Section 109-8 of the Revised Laws of Hawaii 1955 is amended by inserting the words "visually handicapped persons" after the words "blind and," and by deleting the words "those with seriously defective eyesight."

SECTION 6. Section 109-9 of the Revised Laws of Hawaii 1955 is amended to read as follows:

**"Section 109-9. Workshops.** The bureau may also, whenever it deems proper, aid blind and visually handicapped persons and others, who, in the opinion of the bureau, will be benefited by the experience, to become self-supporting by employing them in workshops or in their own homes at such compensation as the bureau may determine their services shall warrant and by furnishing them with materials, machinery, necessary supervision, and other help and facilities. No person so employed shall be deemed an employee of the Territory or of the bureau within the meaning of this or any other chapter, or any Act; provided, that persons employed in such workshops shall come under and be entitled to all the benefits of Chapter 97 relating to workmen's compensation, the cost of which shall be borne by the territorial insurance fund; provided further, that nothing in this section shall be construed to prevent the persons so employed from being considered employees of the Territory or of the bureau for purposes of Part VI, Chapter 6, if they would be considered employees under Title II of the Federal Social Security Act, as amended."

SECTION 7. Section 109-10 of the Revised Laws of Hawaii 1955 is amended by deleting the words "the blind" and substituting therefor the words "blind and visually handicapped persons."

SECTION 8. The fourth paragraph of Section 109-11 of the Revised Laws of Hawaii 1955 is amended by deleting the words "the blind" and substituting therefor the words "blind and visually handicapped persons."

SECTION 9. Section 109-23 of the Revised Laws of Hawaii 1955 is amended by deleting the words "wholly or partially blind" and substituting therefor the words "blind or visually handicapped and authorized by the bureau so to do."

SECTION 10. Section 109-24 is amended by deleting the words "wholly or partially blind" in the third line and substituting therefor the words "blind or visually handicapped," and by deleting the words "person wholly or partially blind" in the last two lines and substituting therefor the words "blind or visually handicapped person."

SECTION 11. Paragraph (c) of Section 108-33 of the Revised Laws of Hawaii 1955 is amended to read as follows:

"(c) Has a central visual acuity which does not exceed 20/200 in the better eye with correcting lenses or the widest diameter of his visual field subtends in angle no greater than 20 degrees."

SECTION 12. Section 117-15 of the Revised Laws of Hawaii 1955 is amended by deleting the words "have vision in the better eye, with corrective glasses, of less than twenty two-hundredths or a disqualifying field defect sufficient to incapacitate them from self-support" and substituting therefor the words "are blind, as defined in section 121-1".

SECTION 13. The first sentence of Section 121-1 of the Revised Laws of Hawaii 1955, as amended by Act 1, Special Session of 1957, is amended to read as follows:

"'Blind' means a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or whose visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees."

SECTION 14. Section 7-20 of the Revised Laws of Hawaii 1955 is amended by deleting the last sentence in the first paragraph thereof; and by deleting the words "blind" and "blind persons" and substituting therefor the words "blind and visually handicapped persons," in the first paragraph.

SECTION 15. Chapter 109 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new section numbered and reading as follows:

"Section 109-13. BLIND SHOP REVOLVING AND HANDICRAFT FUND. The treasurer shall create and maintain a revolving fund entitled 'Blind Shop Revolving and Handicraft Fund'. This fund may be used by the bureau for workshop purposes or home labor purposes for the blind or others, who, in the opinion of the bureau, will be benefited by such experience and all monies in the fund may be expended for materials, machinery, and other facilities and for the erection, operation and conduct of such workshops and for the payment of such compensation as the bureau may authorize. All proceeds derived from the sale of products of such workshops or such home labor shall be deposited in the fund.

"The fund formerly known as 'Shop Revolving Fund and Handicraft Fund' renamed 'Blind Shop Revolving and Handicraft Fund' by Act 122, Session Laws of 1957, together with any unexpended balances therein is hereby transferred to the bureau for incorporation and deposit, respectively, in the fund created by this section.

"The provisions of this section shall be subject to any federal policies, rules or regulations, which may be applicable in order to obtain federal aid or the cooperation of any federal agency concerned."

SECTION 16. Act 122, Session Laws of 1957, is hereby repealed.

SECTION 17. Section 128-17 of the Revised Laws of Hawaii 1955 is amended by deleting the words "has vision in the better eye, with corrective glasses, of less than twenty two-hundredths or a disqualifying

field defect sufficient to incapacitate him or her for self-support," and substituting therefor the following: "is blind, as defined in section 121-1."

SECTION 18. Section 108-4 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the word "blind" in the second sentence thereof and substituting therefor the words "welfare recipients".

SECTION 19. This Act shall take effect upon its approval. However, the amendments of the tax laws shall apply as follows:

The amendment of Chapter 117 shall apply to the calendar year 1959 and thereafter.

The amendment of Chapter 121 shall apply to any taxable year ending on or after June 30, 1959.

The amendment of Chapter 128 shall apply to the calendar year 1960 and thereafter.

(Approved June 1, 1959.) **H.B. 1610.**

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## ACT 247

An Act to Amend Chapter 179 of the Revised Laws of Hawaii 1955, Relating to Trust Companies.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 179 of the Revised Laws of Hawaii 1955, is hereby amended by adding thereto, immediately following section 179-27, a new section to be numbered and to read as follows:

**"Sec. 179-27.5. Interest; money held as trustee or fiduciary.** The maintenance by a trust company, on deposit with depositories approved by the treasurer of the Territory, whether in demand or time accounts, of balances equal to the aggregate sum of money held by it as trustee or other fiduciary, shall be deemed a sufficient compliance with the requirement of section 179-27 that such money be held intact or deposited with such approved depositories. Except as may be otherwise provided by the terms of the trust, the trust company shall allow interest from ninety days after the receipt thereof until duly expended or distributed, at a rate equal to one per cent less than the discount rate on ninety day commercial paper in effect from time to time at the Federal Reserve Bank of San Francisco, but not less than three-fourths of one per cent nor more than three per cent, on all sums of money in excess of \$1,000 held, otherwise than as executor or administrator, for any fiduciary account as principal for investment within the discretion of the trust company as a sole fiduciary and not held uninvested for the purposes of the trust, and shall not otherwise be accountable for interest with respect to money so required to be held intact or so deposited. Nothing herein shall relieve the trust company from the obligation to invest all funds held in trust by it as required by law or the terms of the trust instrument."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 528.**

**ACT 248**

An Act to Provide for the Expansion of Credit Facilities in the Territory and Authorizing Building and Loan Associations to Make Certain Home Loans in Excess of Eighty Per Cent of Value.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 180 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be appropriately numbered and to read as follows:

**"Section 180- . Home loans in excess of eighty per cent of value.** An association may also make loans on home property in the Territory in excess of the limitation of eighty per cent of the unencumbered appraised value thereof, provided that

(a) The net proceeds of any such loan do not exceed \$20,000, nor ninety per cent of the unencumbered appraised value of the real estate, including leasehold property and the improvements thereon, nor ninety per cent of the purchase price, whichever is lower;

(b) The loan is secured by mortgage on a single family residence strictly limited to residential use and occupied by the borrower, or in good faith intended for the borrower's occupancy;

(c) The monthly payments on the loan include provision for property taxes, assessments and insurance premiums on the mortgaged premises and, where applicable, leasehold rentals;

(d) No loan proceeds shall be disbursed until construction of the residence has been fully completed;

(e) No second mortgage, junior financing or other outstanding lien on the mortgaged property has been given or executed by the borrower, or has been contracted or agreed to be given or executed by the borrower, at the time of execution of the mortgage;

(f) An association's aggregate amount of outstanding balances of all loans in excess of the eighty per cent limitation shall not exceed ten per cent of the association's capital at the time of any disbursement on a loan permitted by this section; and

(g) The association, at the time of any disbursement on the loan, has general reserve and surplus equal to at least three per cent of the association's capital.

The provisions of section 180-53 not inconsistent with the provisions of this section shall apply to loans made under this section."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 1096.**

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**ACT 249**

An Act Amending Chapter 181, Revised Laws of Hawaii 1955, as Amended, to Permit Group Insurance for Members of Occupational Associations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 181, Revised Laws of Hawaii 1955, as amended,

is hereby further amended by the addition of a new section to be numbered and to read as follows:

**"Sec. 181-568.5. Occupation, industry or trade association groups.** The lives of a group of individuals may be insured under a policy issued to an association of individuals belonging to a single occupation, industry or trade association, which shall be deemed the policyholder, to insure members of such association for the benefit of persons other than the association or any of its officials subject to the following requirements:

(a) The association must have been formed for purposes other than obtaining insurance.

(b) The members eligible for insurance under the policy shall be all of the members of the association.

(c) The premium for the policy shall be paid by the policyholder, either from the association's own funds or from charges collected from the insured members specifically for the insurance, or from both. No policy may be placed in force unless and until at least seventy-five per cent of the then eligible members of the association, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, have elected to be covered and have arranged for payment of their individual contributions to the association.

(d) Charges collected from the insured members specifically for the insurance, and the dues of the association if they include the cost of insurance, may be determined according to each attained age or in not less than four reasonably spaced attained age groups.

(e) The policy must cover at least twenty-five persons at date of issue.

(f) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the association. No policy may be issued which provides term insurance on any member which together with any other term insurance under any group life insurance policy or policies issued to the association, exceeds \$20,000."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 1191.**

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## ACT 250

An Act for the Relief of Certain Persons, Firms and Corporations on Account of Overpayment of Taxes, to Remit Taxes, and Other Claims Against the Territory, and Providing Appropriations Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The following respective sums of money are hereby appropriated out of the general revenues of the Territory of Hawaii for the purpose of reimbursing the following named persons, firms and corporations, for overpayment of taxes, or on account of other claims against the Territory, in the amount set opposite their respective names:

AHIN, Albert .....	\$ 44.33
Refund of real property tax overpaid for the years 1950 to 1957, inclusive.	
AIEA DAIRY .....	95.08
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
BISHOP TRUST CO., LTD.....	83.33
Refund of sum advanced as pro-rata license fee for Bitco Pacific Corporation, Ltd., a foreign corporation.	
BUCK, George B.....	2,705.84
Payment of balance due for services rendered on the revision of the original study of social security coverage for territorial and county employees.	
BUGBEE, Mrs. Thelma S.....	191.76
Payment of Territorial Warrant No. 88-782 dated January 12, 1954, outlawed.	
CHUN, Tong .....	160.64
Refund of real property tax overpaid for years 1947 to 1957, inclusive.	
DAHLQUIST, Martin J.....	150.00
Payment for the loss of a part-Chihuahua dog that died from poisoning while in quarantine.	
EKLUND, Walter E.....	565.93
Refund of real property tax overpaid for the years 1947 to 1957, inclusive.	
HAWAII FEED COMPANY.....	500.00
Indemnity payment for slaughter of cow because of injuries sustained while in quarantine.	
HAWAIIAN ELECTRIC CO., LTD.....	3,393.95
Refund of corporation public utility tax overpaid for the year 1956.	
HOSEA, Charles K.....	253.06
Refund of real property tax overpaid for the years 1953 to 1957, inclusive.	
ING, Lyau See.....	126.67
Refund of real property tax overpaid for the year 1957.	
ISHIKAWA, Seifuku .....	100.00
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
KAIMI FARM .....	66.73
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
KALANI, James K.....	150.40
Refund of real property tax overpaid for the year 1957.	
KOMOTO, Kazuo and Yoshiko.....	80.91
Refund of additional net income taxes paid in 1953.	
LEE, Fong You.....	110.26
Refund of real property tax overpaid for the year 1957.	



MAZENKO, Lt. Edward P.....	89.60
Reimbursement for difference in amount paid between additional hospital expenses incurred and normal boarding fee for his dog while in quarantine.	
MENDONCA, Hercules .....	9.45
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
MERRY, Tokiko .....	55.68
Refund of real property tax overpaid for the year 1956.	
MEW, H. C.....	100.00
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
MORITO, Kiichi .....	151.50
Refund of real property tax overpaid for the year 1957.	
NAKOA, Mr. and Mrs. Reuben.....	33.00
Reimbursement for loss of personal property at Hale Mohalu.	
OMIYA, Yoshinao .....	71.95
Refund of real property tax overpaid for the year 1957.	
PARKER RANCH .....	290.66
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
REES, Arthur K.....	1,768.16
Payment for extra duties rendered from April 25, 1946 to September 28, 1947.	
RUIS, Antone .....	284.05
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
SMITH, Clarence K.....	73.48
Refund of real property tax overpaid for the year 1957.	
SUGIYAMA, Kathleen Kimiko.....	150.00
Payment for the adjustment in salary earned for the period September 1, 1956 to June 30, 1957.	
SYLVA, Edward N.....	240.12
Refund of real property tax overpaid for the years 1938 to 1956, inclusive.	
TANDY LEATHER COMPANY OF HAWAII.....	300.00
Refund of foreign corporation license fee for years 1955, 1956, and 1957, inclusive.	
TYAU, Annie .....	196.67
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
WAIMEA DAIRY .....	84.67
Indemnity payment for slaughter of cow reacting from anaplasmosis.	
WILLIAMS, E. A. K.....	164.07
Reimbursement of payment for taxes for land used in Kamehameha Highway for the years 1925 to 1958, inclusive.	

WONG, Joseph .....	80.09
Indemnity payment for slaughter of cow reacting from ana-	
plasmosis.	
YEE, Fee Wo.....	258.90
Refund of real property tax overpaid for the years 1956 and	
1957.	

Refunds of real property taxes on account of the 1955 Puna volcanic activity, Island of Hawaii, Act 207, Session Laws of Hawaii 1955:

Taxpayer	Tax for Years	Amount Paid
ANTIDA, Santiago .....	1955	\$ 45.91
CHUN, Yong Soon.....	1955	114.55
DE GUIAR, Lukana .....	1955-1956-1957	362.84
FUJISAKA, Kinju .....	1955	13.67
FUKUMOTO, Kijiro .....	1955	29.72
HANADA, Banzo .....	1955	69.55
HAUANIO, John Pai.....	1955	1.43
HAYASHI, Katsutaro .....	1955	8.64
HIGA, Hiroshi .....	1955	13.52
HIGASHI, Masakichi .....	1955	42.92
HONDA, Masayuki .....	1955	21.78
HOOPII, Anna K.....	1955-1956-1957	287.47
IKEDA, Tomoye .....	1955	33.46
IWASAKI, Koji .....	1955	166.01
KAKUGAWA, Sadame .....	1955	13.50
KAMAU, Anee .....	1955-1956	23.98
KAMAU, Samuel H.....	1955-1956	334.13
KAMAU, William K.....	1955-1956	96.42
KAMELAMELA, William .....	1955	15.75
KAPOHO LAND & DEVELOPMENT CO., LTD. ....	1955	1,624.97
KAPOHO LAND & DEVELOPMENT CO., LTD. ....	1955	73.63
KAWATE, Robert M.....	1955	137.05
KAWAZOE, Kumaichi .....	1955	2.11
KELIIHOMALU, Henry .....	1955	7.87
KOBAYASHI, Hideo .....	1955	30.17
KUKINO, Kiyo .....	1955	93.04
LEE, Chun .....	1955	9.69
MAKINODAN, Shinsuke .....	1955	5.51
MAKIO, T. ....	1955	29.38
MORIOKA, Shigeki .....	1955	47.36
NAKAMURA, Yoshio .....	1955	119.91
NAKAUCHI, Kaneyoshi .....	1955	25.76
NII, Masayuki .....	1955	3.96
NIIYA, Tomoshiro .....	1955	8.32
OISHI, Toru .....	1955	33.92
OTSUKA, Niichi .....	1955	6.61
PEA, Gabriel .....	1955	11.22
SAKAGUCHI, Noboru .....	1955	28.47
SANTO, Shohachi .....	1955	24.45
SATO, Hiroo .....	1955	115.49

SHIMASAKI, Yutaka .....	1955	13.91
SHIPMAN, Herbert C.....	1955	39.49
SOGA, Koichi .....	1955	75.12
SOGA, Kuniji .....	1955	60.55
SOMERA, Ruperto .....	1955	22.78
TAGUCHI, Jiro .....	1955	11.16
TANIOKA, Isamu .....	1955	6.89
TODD, Maria K.....	1955-1956-1957	745.90
TSUTSUI, Tadateru .....	1955	22.51
UYEDA, Robert K.....	1955	83.39
UYEKI, Kametaro .....	1955	15.36

SECTION 2. The tax commissioner is hereby authorized to remit the real property taxes assessed upon that certain parcel of land shown and designated on the taxation maps and records of the third taxation division as tax key 4-5-04-47 for the tax years 1944 to 1949, inclusive, and for 1952 to 1955, inclusive, in the total sum of \$93.07, to William J. Payne.

SECTION 3. The sums hereinabove appropriated shall be paid upon warrants issued by the comptroller of the Territory upon vouchers approved by the tax commissioner in the several amounts and to the respective persons hereinabove set out, as to said claims for taxes, and shall be paid upon warrants issued by said comptroller upon vouchers approved by the director of the bureau of the budget as to all other claims.

SECTION 4. Any amounts so paid representing real property taxes overpaid shall constitute an advancement to the county in which such taxes have been collected, and shall be repaid by the treasurer of the Territory into the general fund of the Territory by retaining the amount from the next collection of such taxes on account of such county and paying the same into said general fund.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **H.B. 1386.**

## ACT 251

An Act Relating to Appropriations for Territorial Improvements in the Various Counties and Amending Act 150 Session Laws of Hawaii 1957.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 8 (a) 2 (b) of Act 150 Session Laws of Hawaii 1957, is hereby amended by adding thereto the following:

"(These funds shall be made available to the Maui County Board of Supervisors.)"

SECTION 2. Section 8 (a) 2 (c) of Act 150 Session Laws of Hawaii 1957, is hereby amended by adding thereto the following:

"(These funds shall be made available to the Maui County Board of Supervisors.)"

SECTION 3. Section 8 (a) 4 (1) of Act 150 Session Laws of Hawaii 1957, is hereby amended to read as follows:

"Flood control at Hanapepe . . . \$175,000."

SECTION 4. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 289.**

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**ACT 252**

An Act to Provide for the Organization of Nonprofit Cooperative Associations to Engage in the Marketing, Handling and Distribution of Fish and Fishery Products; and Amending Sections 119-2 and 117-20 of the Revised Laws of Hawaii 1955, as Amended.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Short title.** This Act shall be known as "The Fish Marketing Act."

SECTION 2. **Purpose.** The purpose of this Act is to promote, foster and encourage the intelligent and orderly marketing of fish and fishery products through cooperation; to eliminate speculation and waste; to make the distribution of fish and fishery products between producer and consumer as direct as can be efficiently done; and to stabilize the marketing of fish and fishery products.

SECTION 3. **Definitions.** As used in this Act:

- (a) "Fishery products" includes fish, crustaceans, mollusks and marine products for human consumption, and fishery by-products for agricultural, commercial and industrial use;
- (b) "Member" includes members of associations without capital stock and holders of common stock in associations organized with shares of stock;
- (c) "Association" means any corporation organized under this Act;
- (d) "Board" means the board of directors;
- (e) "Articles" means the articles of association.

SECTION 4. **Nonprofit associations.** Associations organized hereunder shall be deemed "nonprofit," inasmuch as they are not organized to make profit for themselves, as such, or for their members, as such, but only for their members as producers of fishery products.

SECTION 5. **Formation of associations.** Five or more persons, a majority of whom are residents of the Territory, engaged in the production of fishery products, may form a nonprofit cooperative association, with or without shares of stock, under the provisions of this Act.

SECTION 5.1. **Name.** The provisions of section 172-11 shall apply to associations formed under this chapter and any association organized under this chapter may use the word "cooperative" as a part of its name, notwithstanding the provisions of section 176-6.

SECTION 6. **Powers.** Each association may:

- (a) Engage in any activity in connection with the marketing, selling, preserving, harvesting, drying, processing, manufacturing, canning, packing, grading, storing, handling or utilization of any fishery products produced or delivered to it by its members; or the manufacturing or marketing of the by-products thereof; or any activity in connection with the purchase, hiring or use by its members of supplies, machinery or equipment, or in the financing

of any such activities; or in any one or more of the activities specified in this section;

(b) Borrow without limitation as to amount of corporate indebtedness or liability and made advances to members;

(c) Act as the agent or representative of any member or members in any of the above mentioned activities;

(d) Purchase or otherwise acquire, hold, own and exercise all rights of ownership in, sell, transfer, pledge or guarantee the payment of dividends or interest on, or the retirement or redemption of, shares of the capital stock or bonds of any corporation or association engaged in any related activity or in the warehousing or handling or marketing or packing or manufacturing or processing or preparing for market of any of the fishery products handled by the association;

(e) Establish reserves and invest the funds thereof in bonds or in such other property as may be provided in the bylaws;

(f) Buy, hold and exercise all privileges of ownership, over such real or personal property as may be necessary or convenient for the conduct and operation of any of the business of the association, or incidental thereto;

(g) Levy assessments in the manner and in the amount as may be provided in its bylaws;

(h) Perform or furnish business or educational services on a cooperative basis;

(i) Purchase, handle and sell machinery, equipment and supplies and perform services for nonmembers to an amount not greater in annual value than such as are dealt in, handled or performed for or on behalf of its members, but the value of the annual purchases made for persons who are neither members nor producers shall not exceed fifteen per cent of the value of all its purchases;

(j) Do each and everything necessary, suitable or proper for the accomplishment of any one of the purposes or the attainment of any one or more of the objects herein enumerated; or conducive to or expedient for the interest or benefit of the association; and contract accordingly; and in addition exercise and possess all powers, rights and privileges necessary or incidental to the purposes for which the association is organized or the activities in which it is engaged; and in addition, any other rights, powers and privileges granted by the laws of the Territory to ordinary corporations, except such as are inconsistent with the express provisions of this Act; and do any such thing anywhere;

(k) Use or employ any of its facilities for any purpose, provided the proceeds arising from such use and employment shall go to reduce the cost of operation for its members; and provided, further, that the fishery products of nonmembers shall not be dealt with in an amount greater in value than such as are handled by it for its members;

(l) To sue and be sued in its name.

#### **SECTION 7. Members: eligibility, vote and stock ownership.**

(a) Under the terms and conditions prescribed in the by-laws adopted by it, an association may admit as members or issue common stock to only such persons as are engaged in the production of fishery products to be handled by or through the association including the lessees and tenants of boats and equipment used for the production of such fishery products and

any lessors and landlords who receive as rent all or part of the fish produced by such leased equipment.

(b) Under the terms and conditions prescribed in the bylaws adopted by it, a member shall lose his membership if he ceases to belong to a class eligible for membership under (a), but he shall remain subject to any liability incurred by him while a member of the association.

(c) If a member of a nonstock association be other than a natural person, such member may be represented by any individual, associate, officer or manager or member thereof, duly authorized in writing.

(d) An association organized hereunder may become a member or stockholder of any other association or associations organized hereunder.

(e) Unless the articles otherwise provide, no member shall have more than one vote.

(f) The articles may limit the amount of common stock a member may own.

**SECTION 8. Articles of incorporation; contents.** The articles of incorporation of any such association shall state:

(a) The name of the association;  
 (b) The purpose and powers of the association;  
 (c) The place where the principal office for the transaction of business of the corporation is to be located which shall be in the Territory;

(d) The duration of the association, which shall not exceed fifty years;

(e) The number of directors, which shall be not less than three; the term of office of such directors; and the names and residences of those who are to serve as directors for the first year, or until election and qualification of their successors;

(f) If organized without shares of stock, whether the voting power and the property rights and interest of each member are equal or unequal; and if unequal the general rule or rules applicable to all members by which the voting power and the property rights and interests, respectively, of each member may be and are determined and fixed; and the provisions for the admission of new members who shall be entitled to vote and to share in the property of the association with the old members, in accordance with such general rule or rules;

(g) If organized with shares of stock, the number of shares which may be issued and if the shares are to have a par value, the par value of each share, and the aggregate par value of all shares; if the shares are to be without par value it shall be so stated. If the shares are to be classified, a description of the classes of shares and a statement of the number of shares of each kind or class and the nature and extent of the preferences, rights, privileges and restrictions granted to or imposed upon the holders of the respective classes of stock; and except as to the matters and things so stated no distinction shall exist between the classes of stock or the holders thereof. One class of stock shall always be known as common stock and voting power may be restricted to holders of common stock.

The articles may also contain other provisions, consistent with law, for regulating the association's business and the conduct of its affairs, the establishment of voting districts, the election of delegates to represent such districts and the members residing therein, and the issuance, retirement and transfer of membership and stock.

**SECTION 9. Issuance of nonpar value stock.** If an association organized hereunder issues nonpar value stock, the issuance of such stock shall be governed by the terms of all laws covering the issuance of nonpar value stock in domestic corporations.

**SECTION 10. Filing of articles.** Articles of incorporation must be signed, acknowledged and filed in the manner prescribed by the laws of the Territory for domestic corporations.

**SECTION 11. Alteration of articles.** The articles of incorporation of any association may be altered or amended in the manner and for the purposes prescribed by the laws of the Territory covering domestic corporations.

**SECTION 12. Bylaws.** Each association shall within thirty days after its incorporation, adopt a code of bylaws, not inconsistent with this Act. A majority vote of the members or shares of stock issued and outstanding and entitled to vote shall be necessary to adopt, amend or repeal any bylaws. The bylaws may provide for:

- (a) The place, time and purpose of meeting;
- (b) The number of stockholders or members constituting a quorum;
- (c) The right of members or stockholders to vote by proxy or by mail or both; the right of members or stockholders to cumulate their votes and the prohibition, if desired, of cumulative voting, to the extent permitted by law;
- (d) The number of directors constituting a quorum;
- (e) The qualifications, compensation and duties and term of office of directors and officers and the time of their election;
- (f) Penalties for violations of the bylaws;
- (g) The amount of any entrance, organization and membership fees; the manner and method of collection of the same; and the purposes for which they may be used;
- (h) Any amount which each member or stockholder shall be required to pay annually, or from time to time, to carry on the business of the association; any charge to be paid by each member or stockholder for services rendered by the association to him and the time of payment and the manner of collection; and the marketing contract between the association and its members or stockholders which every member or stockholder may be required to sign;
- (i) The amount of any dividends which may be declared on the stock or membership capital, which dividends shall not exceed eight per cent per annum and which dividends shall be in the nature of interest and shall not affect the nonprofit character of any association organized hereunder;
- (j) The number and qualification of members or stockholders of the association and the conditions precedent to membership or ownership of common stock;
- (k) The method, time and manner of permitting members to withdraw or the holders of common stock to transfer their stock; the manner of assignment and transfer of the interest of members and of the shares of common stock; the conditions upon which and time when membership of any member shall cease;

(l) The automatic suspension of the rights of a member when he ceases to be eligible to membership in the association; and the mode, manner and effect of the expulsion of a member;

(m) The manner of determining the value of a member's interest and provision for its purchase by the association upon the death or withdrawal of a member or upon the expulsion of a member or forfeiture of his membership, or at the option of the association, the purchase at a price fixed by conclusive appraisal by the board of directors;

(n) The conditions and terms for the repurchase by the corporation from its stockholders of their stock upon their disqualification as stockholders.

In case of the expulsion of a member, and where the bylaws do not provide any procedure or penalty, the board of directors shall equitably and conclusively appraise his property interest in the association and shall fix the amount thereof in money, which shall be paid to him within one year after such expulsion.

**SECTION 13. Bylaws; additional provisions.** The bylaws may provide that:

(a) The territory in which the association has members shall be divided into districts and that directors shall be elected from the several districts. In any such case, the bylaws shall specify the number of directors to be elected by each district, the manner and method of reapportioning the directors and of redistricting the territory covered by the association;

(b) Primary elections shall be held to nominate directors. Where the bylaws provide that the territory in which the association has members shall be divided into districts, the bylaws may also provide that the results of the primary elections in the various districts shall be final and must be ratified at the annual meeting of the association;

(c) The territory in which the association has members shall be divided into districts, and that the directors shall be elected by representatives or advisors, who themselves have been elected by the members or stockholders from the several territorial districts. In any such case, the bylaws shall specify the number of representatives or advisors to be elected by each district, the manner and method of reapportioning the representatives or advisors and of redistricting the territory covered by the association;

(d) Directors shall be elected for a term of one year;

(e) One or more directors may be nominated by any public official or commission or by the other directors selected by the members. Such directors shall represent primarily the interest of the general public in such associations. The directors so nominated need not be members or stockholders of the association, but shall have the same powers and rights as other directors. Such directors shall not number more than one-fifth of the entire number of directors;

(f) There be an executive committee to which may be delegated any of the functions and powers of the board of directors, subject to the general direction and control of the board.

**SECTION 14. Board of directors.** The affairs of the association shall be managed by a board of not less than three directors, elected by the members or stockholders from their own number.



**SECTION 15. Compensation of officers.** An association may provide a fair remuneration for the time actually spent by its officers and directors in its service, and for the services of the members of its executive committee.

**SECTION 16. Vacancies.** When a vacancy on the board of directors occurs other than by expiration of term, the remaining members of the board by a majority vote, shall fill the vacancy, provided that when the bylaws provide for an election of directors by districts, the vacancy shall be filled by the election of a director from the district in which the vacancy occurs; or the board of directors may call a special meeting of the members or stockholders in that district to fill the vacancy.

**SECTION 17. Organization of directors.** The directors shall elect from their number a president and one or more vice-presidents. They shall also elect a secretary and a treasurer, who need not be directors or members of the association; and they may combine the two latter offices and designate the combined office as secretary-treasurer; or unite both functions and titles in one person. The treasurer may be a bank or any depository and as such, shall not be considered as an officer, but as a function of the board of directors. In such case, the secretary shall perform the usual accounting duties of the treasurer, excepting that the funds shall be deposited only as and where authorized by the board of directors.

**SECTION 18. Certificates of membership; stock; transfer of stock; liability for debts.**

(a) When a member of an association established without shares of stock has paid his membership fee in full, he shall receive a certificate of membership.

(b) No association shall issue a certificate for stock to a member until it has been fully paid for. The promissory notes of the members may be accepted by the association as full or partial payment. The association shall hold the stock as security for the payment of the note; but such retention as security shall not affect the member's right to vote. An association, in its bylaws, may limit the amount of common stock which one member may own.

(c) The bylaws shall prohibit the transfer of the common stock or membership certificates of the association to persons not engaged in the production of the products handled by the association; and such restrictions must be printed upon every certificate of stock subject thereto. The association may, at any time, as specified in the bylaws, except when the debts of the association exceed fifty per cent of the assets thereof, buy in or purchase its common stock at the book value thereof, as conclusively determined by the board of directors, and pay for it in cash within one year thereafter.

(d) No member or stockholder shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on his membership fee, his subscription to the capital stock or his assessments, including any unpaid balance on any promissory note given in payment thereof.

(e) Net margin in excess of dividends and additions to reserves shall be distributed to members and nonmembers on the basis of patronage, and the books of the association shall show the interest of members

in the reserves and excess. The bylaws may provide that any distribution to a nonmember eligible for membership may be credited to the account of such nonmember until the amount thereof equals the value of a membership certificate or a share of the association's common stock. The distribution credited to the account of a nonmember may be transferred to the reserve fund at the option of the board if, after two years from the date of any such crediting, the amount in such account is less than the value of the membership certificate or a share of common stock.

**SECTION 19. Removal of officer or director.** Any member may bring charges of misconduct or incompetency against an officer or director by filing them in writing with the secretary of the association, together with a petition signed by not less than five per cent of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the association and, by a vote of a majority of the members, the association may remove the officer or director and fill the vacancy. The director or officer, against whom such charges have been brought, shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charges against him shall have the same opportunity.

In case the bylaws provide for election of directors by districts with primary elections in each district, then the petition for removal of a director must be signed by not less than twenty per cent of the members residing in the district from which he was elected. The board of directors must call a special meeting of the members residing in that district to consider the removal of the director; and by a vote of the majority of the members of that district, the director in question shall be removed from office.

**SECTION 20. General and special meetings.** Within thirty days after the incorporation of an association, the members thereof shall hold an organization meeting at a time and place fixed by the temporary board of directors. Not less than ten days' written notice thereof shall be given to each member.

An association may provide in its bylaws for one or more regular meetings each year, which may be held within the Territory at the time and place designated in the bylaws. Special meetings of the members may be called by the board of directors, and it shall be their duty to call such meetings when ten per cent of the members file with the secretary a petition demanding a special meeting and specifying the business to be considered at such meeting. Notice of all meetings except as otherwise provided by law or the articles or bylaws, shall be mailed to each member at least ten days prior to the meeting, and in case of special meetings the notice shall state the purpose for which it is called. The bylaws may require that all notices, except of proposed amendments to the articles, shall be given by publication, in a periodical published by or for the association, to which substantially all of its members are subscribers, or in a newspaper or newspapers whose combined circulation is general in the Territory.

**SECTION 21. Referendum.** The articles or bylaws may provide that upon demand of two-fifths of all the directors, any matter of policy that has been approved or passed by the board must be referred to the members for their approval before it becomes effective. No referendum shall be allowed unless it is demanded by the required number of directors at the meeting at which the matter of policy in question is adopted.

**SECTION 22. Marketing contracts.** The bylaws may require members to execute contracts with the association in which the members agree to patronize the facilities created by the association, and to sell all or a specified part of their products to or through it, or to buy all or a specified part of their supplies from or through the association or any facilities created by it. If the members contract to sell to the association, the fact that for certain purposes the relation between the association and its members may be one of agency shall not prevent the passage from the member to the association of absolute and exclusive title to the products which are the subject matter of the contract. Such title shall pass to the association upon delivery of the product, or at any other time specified in the contract. If the period of the contract exceeds three years, the bylaws and the contracts executed thereunder shall specify a reasonable period, not less than twenty days, in each year, after the third year, during which the member, by giving to the association such reasonable notice as the association may prescribe, may withdraw from the association. In the absence of such a withdrawal provision, a member may withdraw at any time after three years.

**SECTION 23. Contracts, liquidated damages.** The bylaws or the marketing contract may fix, as liquidated damages, specific sums to be paid by the member or stockholder to the association upon the breach by him of any provision of the marketing contract regarding the sale or delivery or withholding of fishery products and may further provide that the member will pay all costs, premiums for bonds, expenses and fees, in case any action is brought upon the contract by the association; and any such provisions shall be valid and enforceable in the courts of this Territory; and such clauses providing for liquidated damages shall be enforceable as such and shall not be regarded as penalties.

**SECTION 24. Contracts, injunctive relief for breach of.** In the event of any such breach or threatened breach of such marketing contract by a member, the association shall be entitled to an injunction to prevent the further breach of the contract and to a decree of specific performance thereof. Pending the adjudication of such an action and upon filing a verified complaint showing the breach or threatened breach, and upon filing sufficient bond, the association shall be entitled to a temporary restraining order and preliminary injunction against the member.

**SECTION 24.1. Contracts, recording.** The association may file contracts to sell fishery products to or through the association in the office of the bureau of conveyance. If the association has uniform contracts with more than one member in any county, it may, in lieu of filing the original contracts, file the affidavit of its president, vice-president or secretary, containing or having attached thereto:

(a) A true copy of the uniform contract entered into with its members producing such product in the county;

(b) The names of the members who have executed such contract and a description of the land on which the produce is produced, if such description is contained in the contract.

The association may file from time to time thereafter affidavits containing revised or supplementary lists of the members producing such product in the county without setting forth therein a copy of the uniform contract but referring to the filed or recorded copy thereof. All affidavits filed under the section shall state in substance that they are filed pursuant to the provisions of this section. The bureau of conveyances shall file such affidavits and make endorsements thereon and record and make entries thereof in the same manner as is required by law in the case of chattel mortgages, and shall compile and make available for public inspection a convenient index containing the names of all signers of such contracts, and collect for its services hereunder the same fees as for chattel mortgages. The filing of any such contract, or such affidavit, shall constitute constructive notice of the association's title or right to the product embraced in such contract, to all subsequent purchasers, encumbrancers, creditors, and to all persons dealing with the members with reference to such product. No title, right or lien of any kind shall be acquired to or on the product thereafter except through the association or with its consent, or subject to its rights; and the association may recover the possession of such property from any and all subsequent purchasers, encumbrancers, and creditors, and those claiming under them, in whose possession the same may be found, by any appropriate action for the recovery of personal property, and it may have relief by injunction and for damages.

**SECTION 24.2. Contracts specifically enforceable.** A contract entered into by a member or stockholder of a nonprofit cooperative association or corporation, providing for the delivery to such association or corporation of products produced or acquired by the member or stockholder, may be specifically enforced by the association or corporation to secure the delivery to it of such fishery products, any other provisions of law to the contrary notwithstanding.

**SECTION 25. Presumption as to landlords and lessors.** In any action upon such marketing agreements, it shall be conclusively presumed that a landlord or lessor is able to control the delivery of fishery products produced by his equipment by tenants, or others, whose tenancy or possession or work on such equipment or the terms of whose tenancy or possession or labor thereon were created or changed after execution by the landlord or lessor, of such a marketing agreement; and in such actions, the foregoing remedies for nondelivery or breach shall lie and be enforceable against such landlord or lessor.

**SECTION 26. Stock purchases by association.** Whenever an association, organized hereunder with preferred shares of stock, shall purchase the stock or any property, or any interest in any property of any person, it may discharge the obligations so incurred, wholly or in part, by exchanging for the acquired interest, shares of its preferred stock to an amount which at par value would equal the fair market value of the stock or interest so purchased, as determined by the board of directors. In that

case the transfer to the association of the stock or interest purchased shall be equivalent to payment in cash for the shares of stock issued.

**SECTION 27. Construction of act.** Any provisions of law which are in conflict with this Act shall not be construed as applying to the associations herein provided for. Any exemptions under any and all existing laws applying to fishery products in the possession or under the control of the individual producer, shall apply similarly and completely to such fishery products delivered by its members, in the possession or under the control of the association.

**SECTION 28. Membership in other corporations; issuance of warehouse receipts; merger and consolidation.** An association may organize, form, operate, own, control, have an interest in, own stock of, or be a member of any other corporation or corporations, with or without capital stock and engaged in preserving, drying, processing, canning, packing, storing, handling, shipping, utilizing, manufacturing, marketing or selling of the fishery products handled by the association or the byproducts thereof.

If such corporations are warehousing corporations, they may issue legal warehouse receipts to the association against the commodities delivered by it, or to any other person, and such legal warehouse receipts shall be considered as adequate collateral to the extent of the usual and current value of the commodity represented thereby. In case such warehouse is licensed and bonded under the laws of the Territory or of the United States, its warehouse receipt delivered to the association on commodities of the association or its members, or delivered by the association or its members, shall not be challenged or discriminated against because of ownership or control, wholly or in part, by the association.

Any two or more corporations organized hereunder may be merged into one such constituent corporation or consolidated into a new corporation, such merger or consolidation to be made in the manner prescribed by the general laws of the Territory covering domestic corporations.

**SECTION 29. Cooperative agreements.** Any association, may, upon resolution adopted by its board of directors, enter into all necessary and proper contracts and agreements and make all necessary and proper stipulations, agreements and contracts and arrangements with any other cooperative or other corporation, association or associations, formed in this or in any other jurisdiction, for the cooperative and more economical carrying on of its business or any part or parts thereof. Any two or more associations may, by agreement between them, unite in employing and using or may separately employ and use the same personnel, methods, means and agencies for carrying on and conducting their respective business.

**SECTION 30. Contracts declared legal.** Any association organized hereunder shall be deemed not to be a conspiracy; nor a combination in restraint of trade; nor an illegal monopoly; nor an attempt to lessen competition or to fix prices arbitrarily or to create a combination or pool in violation of any law of this Territory; and the marketing contracts and agreements between the association and its members and any agreements authorized in this Act shall be considered not to be illegal nor in restraint of trade nor contrary to the provisions of any statute enacted against pooling or combinations.

**SECTION 31. Corporation laws applicable.** The general corporation laws of this Territory and all powers and right thereunder, shall apply to the associations organized hereunder, except where such provisions are in conflict with or inconsistent with the express provisions of this Act.

**SECTION 32. Exemption from Corporate Securities Act.** No association organized or existing under or by virtue of the terms and provisions of this Act shall be subject in any manner to the provisions of chapter 199 of the Revised Laws of Hawaii 1955, as amended, and any and all associations organized under and by virtue of the terms of this Act may and shall issue their membership certificates or stock or other securities as provided herein without the necessity of registration under the chapter.

**SECTION 33. Annual reports.** An association formed under this chapter, within ninety days after the close of its fiscal year, shall file with the treasurer and with the board of commissioners of agriculture and forestry an annual report containing the name of the association, its place of business and a general statement of its business operations during the fiscal year, showing the amount of capital stock paid up and the number of shareholders, if a stock corporation, or the number of members and the amount of membership fees received, if a nonstock association; an income statement; and its balance sheet. A copy of such report shall be submitted to the members at their annual meeting, or mailed to each member of the association, or printed in an official publication of the association.

**SECTION 34. Taxation.** Associations organized under the provisions of this Act shall pay an annual license fee of \$10 to the treasurer of the Territory (which shall be a general realization of the Territory) which shall be in lieu of all other corporation, franchise, and income taxes and charges and taxes upon reserves held by the association for distribution to members, including without limitation upon the generality of the foregoing any taxes imposed under the provisions of chapter 121 of the Revised Laws of Hawaii 1955.

In order to obtain the exemptions from taxation granted by this section or any other law, the association annually shall file with the tax commissioner a copy of its annual report and in addition thereto, on or before April 20 following the close of each calendar year, shall file with the tax assessor of each division in which there are persons doing business to whom it has paid, during said preceding calendar year, any proceeds of goods marketed, a report showing the name of each person to whom such proceeds of sales for which such person is taxable under chapter 117 of the Revised Laws of Hawaii 1955, as amended, for such year, and the rate or rates of such tax applicable thereto or to the several amounts thereof, as the case may be.

**SECTION 35. Voluntary dissolution.** The provisions of section 172-130, relating to the voluntary dissolution of corporations, shall apply to associations formed under this chapter except that the dissolution shall be approved at a meeting duly called and held for the purpose by not less than two thirds of the voting power voting thereon.

**SECTION 36. Saving clause.** This chapter shall not impair or affect any act done, offense committed or right accruing, accrued or acquired, or liability, penalty, forfeiture or punishment incurred prior to the effective date

of this Act, but the same may be enjoyed, asserted, enforced, prosecuted or inflicted as fully and to the same extent as if this chapter has not been passed.

**SECTION 37. Penalty.** Every cooperative association failing to comply with any of the statutes regarding cooperative associations shall forfeit to the Territory \$10 for every such violation, neglect or failure to be recovered by action brought in the name of the Territory by the treasurer, which penalty shall be in addition to all fees in this chapter otherwise provided. A continuance of a failure to file the required report and to pay the required license fee shall be a separate offense for each thirty days of continuance. The treasurer may, for good cause shown, reduce or waive the penalty imposed by this section.

**SECTION 38.** Section 119-2 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the last paragraph thereof and inserting the following:

"Providing, that with regard to purchases made and distributed under the authority of chapter 176 or under the authority of the Fish Marketing Act, a cooperative association shall be deemed the user thereof."

**SECTION 39.** Subsection (j), section 117-20, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"(j) Cooperative associations now or hereafter incorporated under and pursuant to the provisions of chapter 176 of the Fish Marketing Act and which fully meet the requirements of section 176-26 or section 34 of the Fish Marketing Act (provided that the exemption shall apply only to the gross income derived from its activities authorized by chapter 176 or the Fish Marketing Act; and that the exemption shall not relieve any person who receives any proceeds of sale from such association of the duty of returning and paying the tax on the total gross proceeds of the sales on account of which such payment was made, in the same amount and at the same rate as would apply thereto had the sales been made directly by such person, and all such persons shall be so taxable) ;".

**SECTION 40. Separability.** If any section, subsection, sentence, clause or phrase of this Act shall, for any reason, be held unconstitutional, such decision shall not affect the validity of the remaining portions of this Act. The Legislature hereby declares that it would have passed each section, subsection, sentence, clause and phrase of this Act, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses or phrases might be declared unconstitutional.

**SECTION 41.** This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 91.**

### ACT 253

An Act Certifying and Approving the Western Regional Education Compact, Authorizing the Governor to Execute the Compact for the Territory of Hawaii, Providing for Commissioners and Making an Appropriation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1. Approval of compact.** The Western Regional Education Compact, recommended by the Western Governors' Conference on

November 10, 1950, for adoption by the states of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, the then Territory of Alaska, and the Territory of Hawaii, is hereby certified and approved and the adherence of the Territory of Hawaii to the provisions of this compact is hereby declared by the Legislature of the Territory of Hawaii.

**SECTION 2. Terms and provisions of compact.** The terms and provisions of the Compact referred to in Section 1 of this Act are as follows:

**"WESTERN REGIONAL EDUCATION COMPACT**

The contracting states do hereby agree as follows:

**ARTICLE I**

WHEREAS, the future of this Nation and of the Western States is dependent upon the quality of the education of its youth; and

WHEREAS, many of the Western States individually do not have sufficient numbers of potential students to warrant the establishment and maintenance within their borders of adequate facilities in all of the essential fields of technical, professional, and graduate training, nor do all the states have the financial ability to furnish within their borders institutions capable of providing acceptable standards of training in all of the fields mentioned above; and

WHEREAS, it is believed that the Western States, or groups of such states within the Region, cooperatively can provide acceptable and efficient educational facilities to meet the needs of the Region and of the students thereof:

Now, therefore, the states of Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming, and the Territory do hereby covenant and agree as follows:

**ARTICLE II**

Each of the compacting states and the Territory of Hawaii pledges to each of the other compacting states and territory faithful cooperation in carrying out all the purposes of this compact.

**ARTICLE III**

The compacting states and territory hereby create the Western Interstate Commission for Higher Education, hereinafter called the commission. Said commission shall be a body corporate of each compacting state and territory and an agency thereof. The commission shall have all the powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states and territories.

**ARTICLE IV**

The commission shall consist of three resident members from each compacting state or territory. At all times one commissioner from each compacting state or territory shall be an educator engaged in the field of higher education in the state or territory from which he is appointed.

The commissioners from each state and territory shall be appointed by the governor thereof as provided by law in such state or territory. Any com-



missioner may be removed or suspended from office as provided by the law of the state or territory from which he shall have been appointed.

The terms of each commissioner shall be four years: Provided, however, that the first three commissioners shall be appointed as follows: one for two years, one for three years, and one for four years. Each commissioner shall hold office until his successor shall be appointed and qualified. If any office becomes vacant for any reason, the governor shall appoint a commissioner to fill the office for the remainder of the unexpired term.

#### ARTICLE V

Any business transacted at any meeting of the commission must be by affirmative vote of a majority of the whole number of compacting states and the Territory of Hawaii.

One or more commissioners from a majority of the compacting states and territory shall constitute a quorum for the transaction of business.

Each compacting state and territory represented at any meeting of the commission is entitled to one vote.

#### ARTICLE VI

The commission shall elect from its number a chairman and a vice chairman, and may appoint, and at its pleasure dismiss or remove, such officers, agents, and employees as may be required to carry out the purpose of this compact; and shall fix and determine their duties, qualifications and compensation, having due regard for the importance of the responsibilities involved.

The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the commission.

#### ARTICLE VII

The commission shall adopt a seal and bylaws and shall adopt and promulgate rules and regulations for its management and control.

The commission may elect such committees as it deems necessary for the carrying out of its functions.

The commission shall establish and maintain an office within one of the compacting states for the transaction of its business and may meet at any time, but in any event must meet at least once a year. The chairman may call such additional meetings and upon the request of a majority of the commissioners of three or more compacting states or the Territory of Hawaii shall call additional meetings.

The commission shall submit a budget to the Governor of each compacting state and territory at such time and for such period as may be required.

The commission shall, after negotiations with interested institutions, determine the cost of providing the facilities for graduate and professional education for use in its contractual agreements throughout the Region.

On or before the fifteenth day of January of each year, the commission shall submit to the Governors and Legislatures of the compacting states and territory a report of its activities for the preceding calendar year.

The commission shall keep accurate books of account, showing in full its receipts and disbursements, and said books of account shall be open at any reasonable time for inspection by the Governor of any compacting state or territory or his designated representative. The commission shall not be subject to the audit and accounting procedure of any of the compacting

states or territory. The commission shall provide for an independent annual audit.

## ARTICLE VIII

It shall be the duty of the commission to enter into such contractual agreements with any institution in the region offering graduate or professional education and with any of the compacting states or territory as may be required in the judgment of the commission to provide adequate services and facilities of graduate and professional education for the citizens of the respective compacting states or territories. The commission shall first endeavor to provide adequate services and facilities in the fields of dentistry, medicine, public health, and veterinary medicine, and may undertake similar activities in other professional and graduate fields.

For this purpose the commission may enter into contractual agreements

(a) with the governing authority of any educational institution in the region, or with any compacting state or territory, to provide such graduate or professional educational services upon terms and conditions to be agreed upon between contracting parties, and

(b) with the governing authority of any educational institution in the region or with any compacting state or territory to assist in the placement of graduate or professional students in educational institutions in the region providing the desired services and facilities, upon such terms and conditions as the commission may prescribe.

It shall be the duty of the commission to undertake studies of needs for professional and graduate educational facilities in the region, the resources for meeting such needs, and the long-range effects of the compact on higher education; and from time to time to prepare comprehensive reports on such research for presentation to the Western Governors' Conference and to the legislatures of the compacting states and territory. In conducting such studies, the commission may confer with any national or regional planning body which may be established. The commission shall draft and recommend to the governors of the various compacting states and territory, uniform legislation dealing with problems of higher education in the region.

For the purposes of this compact the word 'region' shall be construed to mean the geographical limits of the several compacting states and the Territory of Hawaii.

## ARTICLE IX

The operating costs of the commission shall be apportioned equally among the compacting states and the Territory of Hawaii.

## ARTICLE X

This compact shall become operative and binding immediately as to those states and territories adopting it whenever five or more of the states of Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming and the Territory of Hawaii have duly adopted it prior to July 1, 1953. This compact shall become effective as to any additional states or territories adopting thereafter at the time of such adoption.

## ARTICLE XI

This compact may be terminated at any time by consent of a majority of the compacting states and territory. Consent shall be manifested by

passage and signature in the usual manner of legislation expressing such consent by the legislature and governor of such terminating state. Any state or territory may at any time withdraw from this compact by means of appropriate legislation to that end. Such withdrawal shall not become effective until two years after written notice thereof by the governor of the withdrawing state or territory accompanied by a certified copy of the requisite legislative action is received by the commission. Such withdrawal shall not relieve the withdrawing state or territory from its obligations hereunder accruing prior to the effective date of withdrawal. The withdrawing state or territory may rescind its action of withdrawal at any time within the two-year period. Thereafter, the withdrawing state or territory may be reinstated by application to and the approval by a majority vote of the commission.

## ARTICLE XII

If any compacting state or territory shall at any time default in the performance of any of its obligations assumed or imposed in accordance with the provisions of this compact, all rights, privileges and benefits conferred by this compact or agreements hereunder shall be suspended from the effective date of such default as fixed by the commission.

Unless such default shall be remedied within a period of two years following the effective date of such default, this compact may be terminated with respect to such defaulting state or territory by affirmative vote of three-fourths of the other member states or territories.

Any such defaulting state may be reinstated by: (a) performing all acts and obligations upon which it has heretofore defaulted, and (b) application to and the approval by a majority vote of the commission."

**SECTION 3. Execution.** The governor shall execute said compact on behalf of this Territory and perform any other acts which may be deemed requisite to its formal ratification and promulgation.

### SECTION 4. Territorial commissioners.

(a) The governor, with the advice and consent of the Senate, shall appoint the members of the commission for this Territory of the Western Interstate Commission for Higher Education which is created under the provisions of Article III of the Western Regional Education Compact.

(b) The qualifications and terms of office of the members of the commission for this Territory shall conform with the provisions of Article IV of said compact.

(c) The commissioners shall serve without compensation and they shall be reimbursed for their actual and necessary expenses by the Western Interstate Commission for Higher Education.

(d) The commissioners for this Territory shall, with the help of an advisory committee selected by them, certify those students from the Territory of Hawaii who may receive special assistance in their professional education from the Territory, under contracts provided for in the Western Regional Education Compact.

**SECTION 5. Appropriation.** There is hereby appropriated out of the general revenues of the Territory not otherwise appropriated, the sum of \$30,000 for carrying out the purposes of this Act, including expenditures for contributions or payments that may be required of the Territory in respect of providing graduate and professional education to students from

the Territory, and expenses of the Hawaii commission, for the biennium ending June 30, 1961. Expenditures by the commission, including the amounts fixed annually as the equal contribution of each member state and territory to the compact, shall be made upon warrants issued by the territorial comptroller based upon vouchers approved by any one of the commissioners. A report of the activities and expenses of the commissioners and a proposed program for the Territory's continuing participation in the activities of the Western Interstate Commission for Higher Education, including a budget request, shall be submitted by the commissioners to the next and to each succeeding regular session of the Legislature.

**SECTION 6. Effective date.** This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 313.**

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### ACT 254

An Act to Amend Sections 38-20 and 38-21 of the Revised Laws of Hawaii 1955, Relating to the Sabbatical Leaves of Public School Teachers.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** It is the purpose of this Act to provide more adequate sabbatical leave provisions for public school teachers so that they may have greater opportunities for professional growth and improvement.

**SECTION 2.** Section 38-20 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

**"Sec. 38-20. Sabbatical leaves authorized.** The department of public instruction may grant a year's or six months' sabbatical leave of absence to any teacher who has served seven years in the public schools of the Territory, such teacher to be guaranteed a return to his position at the expiration of the leave. In granting such leave, teachers with the longest period of service shall be given first consideration. The resultant vacancy shall be filled by the appointment of a substitute for the period of the sabbatical leave only, such substitute to be paid the minimum salary provided for that position on the official salary schedule for teachers."

**SECTION 3.** Section 38-21 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the first sentence thereof and substituting therefor the following:

"Teachers on sabbatical leave shall be paid an amount equal to one-half of the salary to which such teacher would be entitled if regularly reappointed. Such payments shall be made in regular monthly installments, the last two of which shall not be made until after the teacher has returned to his position in the department."

**SECTION 4.** This Act shall take effect upon its approval.

(Approved June 2, 1959.) **H.B. 854.**

# ACT 255

An Act Relating to the Compensation of Public Officers and Employees and Making Appropriations Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The sum of \$1,945,828 is hereby appropriated to pay for salary adjustments effective July 1, 1959, in the rates of compensation for all personnel of the University of Hawaii established by the board of regents of the University of Hawaii pursuant to sections 44-8 and 44-10 of the Revised Laws of Hawaii 1955 and in effect on the effective date of this Act as follows:

a. \$1,755,506 shall be used to grant a uniform percentage pay increase in the rates of compensation for all personnel of the University of Hawaii;

b. \$190,322 may be used by the board of regents to grant further salary adjustments to any personnel of the University of Hawaii.

SECTION 2. The monthly salary ratings of teachers prescribed in section 38-31 of the Revised Laws of Hawaii 1955, as amended, and in effect on the effective date of this Act, and the monthly salaries of professional officers and employees of the department of public instruction whose positions are classified under section 38-38 of the Revised Laws of Hawaii 1955, and in effect on the effective date of this Act, are hereby increased by \$75 effective September 1, 1959. Such differentials as are payable to principals, vice principals, vocational teachers and others shall be computed on the appropriate salary ratings or salaries as increased by this section.

Any law to the contrary notwithstanding, further salary increases to any person covered by part III of chapter 38 of the Revised Laws of Hawaii 1955, as amended, are prohibited unless specific authority is granted by the Legislature.

SECTION 3. a. Section 4-10 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read:

"Sec. 4-10. Effective as of July 1, 1959, the monthly rates of basic compensation with respect to classes of positions to which this chapter applies shall be in accordance with the following schedule:

## STEPS

Salary Range	A	B	C	D	E	F	G
1	214	225	236	248	260	273	287
2	225	236	248	260	273	287	301
3	236	248	260	273	287	301	316
4	248	260	273	287	301	316	332
5	260	273	287	301	316	332	349
6	273	287	301	316	332	349	366
7	287	301	316	332	349	366	384
8	301	316	332	349	366	384	403
9	316	332	349	366	384	403	423
10	332	349	366	384	403	423	444
11	349	366	384	403	423	444	466
12	366	384	403	423	444	466	489

13	384	403	423	444	466	489	513
14	403	423	444	466	489	513	539
15	423	444	466	489	513	539	566
16	444	466	489	513	539	566	594
17	466	489	513	539	566	594	624
18	489	513	539	566	594	624	655
19	513	539	566	594	624	655	688
20	539	566	594	624	655	688	722
21	566	594	624	655	688	722	758
22	594	624	655	688	722	758	796
23	624	655	688	722	758	796	836
24	655	688	722	758	796	836	878
25	688	722	758	796	836	878	922
26	722	758	796	836	878	922	968
27	758	796	836	878	922	968	1016
28	796	836	878	922	968	1016	1067
29	836	878	922	968	1016	1067	1120
30	878	922	968	1016	1067	1120	1176
31	922	968	1016	1067	1120	1176	1235

Whenever payment is made on the basis of an annual, weekly, hourly, or daily rate, such rate shall be computed in the following manner: (a) by multiplying the monthly rate by twelve in order to find the annual rate; (b) by dividing the annual rate by fifty-two in order to find the weekly rate; (c) by dividing the annual rate by fifty-two and again dividing the result thereof by forty, in order to find the hourly rate; and (d) by multiplying the hourly rate by the number of daily hours of service required in order to find the daily rate."

b. Conversion from the existing salary schedule (hereinafter referred to as "existing schedule") to the new salary schedule set forth in this section (hereinafter referred to as the "new schedule") shall be effected in the following manner:

The incumbent of each position shall be transferred as of July 1, 1959, to the same range to which his class is assigned. The step in the salary range to which the incumbent's position is to be assigned shall be determined as follows:

1. Each incumbent who is, under the existing schedule, at a step below the maximum step shall be credited with an increment under the existing schedule;

2. Each incumbent who is, under the existing schedule, at or beyond the maximum step shall be credited with an amount equal to a longevity step under the existing schedule;

3. Each incumbent shall have added to his present salary (including the increment or longevity credits provided for above) the sum of \$20;

4. If the amount so determined is at one of the increment or longevity steps in the appropriate salary range, his compensation shall be fixed at such step;

5. If such amount is within the appropriate salary range as extended by the three longevity steps, but not at one of the increment or longevity steps fixed therein, his compensation shall be increased to the next higher increment or longevity step as the case may be;

6. If such amount is in excess of the third longevity step of the appropriate salary range his compensation shall be fixed at such amount

and he shall continue to receive such compensation so long as he remains in the position or until such time as the class to which such position is assigned is reassigned to a salary range having a maximum step in excess of such compensation.

Any provision of law to the contrary notwithstanding, the service anniversary date of any incumbent who was employed on or before July 1, 1959, shall be July 1.

c. Any provision of law to the contrary notwithstanding, the schedule set forth in this section (new schedule) shall be amended as follows:

1. Effective July 1, 1960, step A shall be deleted therefrom;
2. Effective July 1, 1961, step B shall be deleted therefrom.

Any employee who happens to be in step A on June 30, 1960, shall on July 1, 1960, be transferred to step B and his service anniversary date shall thenceforth be July 1.

Any employee who happens to be in step B on June 30, 1961, shall on July 1, 1961, be transferred to step C and his service anniversary date shall thenceforth be July 1.

SECTION 4. The sum of \$18,882,020, or so much thereof as may be necessary, is hereby appropriated from the general revenues of the Territory to pay the increase in compensation provided by sections 2 and 3 of this Act.

The appropriation made by this section shall be allotted by the director of the bureau of the budget to the several boards, commissions and officers of the Territory concerned, and to the several counties; in the case of the counties the monies so allotted shall be paid into the county treasuries and held in special funds solely for the authorized purposes. Such monies shall be expended in the same manner as other appropriation for personal services.

The funds appropriated by this section shall cover the compensation of all officers and employees of the Territory and counties except —

a. Officers and employees of the Territory whose compensation is paid from federal funds or from special funds of the Territory, whether in whole or in part and whether directly or indirectly, to the extent that the amount required to pay the increase in compensation authorized by sections 2 and 3 of this Act can be obtained from such federal funds or special funds;

b. Officers and employees of the city and county of Honolulu whose compensation is paid from federal or special funds.

SECTION 5. There is hereby appropriated out of the general revenues of the Territory, the following sums, or so much thereof as may be necessary, for the payment of such salary adjustments payable retroactively to March 16, 1956, to officers and employees of the counties of Hawaii, Kauai and Maui under the provisions of Act 141, Session Laws of Hawaii 1957, as follows:

- a. Appropriation for payments as may still be due:
- |                       |            |
|-----------------------|------------|
| County of Hawaii..... | \$809,841; |
| County of Maui.....   | 512,544;   |
| County of Kauai.....  | 454,241;   |
- b. Appropriation to reimburse Maui County for payments already made .....
- |  |          |
|--|----------|
|  | 100,000. |
|--|----------|

The appropriations made by this section shall be allotted by the director of the bureau of the budget to the respective counties, and monies so allotted shall be paid into the county treasury of the respective counties and held in special funds solely for the authorized purposes.

SECTION 6. a. Section 4A-1 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended effective July 1, 1959, to read:

"Sec. 4A-1. **Salaries fixed.** The salaries of the following officers are hereby fixed at the following annual rates:

	Per Annum
Director of aeronautics .....	\$14,500
President, board of commissioners of agriculture and forestry.	15,000
Attorney general .....	17,500
Assistant attorney general.....	14,500
Comptroller .....	15,000
Deputy Comptroller .....	13,000
Director of bureau of the budget.....	16,500
President, board of health.....	16,500
Director of public health.....	14,000
Director of institutions.....	15,000
Director of labor and industrial relations.....	13,500
Superintendent of public instruction.....	15,500
Commissioner of public lands.....	15,000
Director of public welfare.....	14,500
Superintendent of public works.....	16,500
Surveyor .....	15,000
Tax commissioner .....	15,000
Treasurer .....	15,000

The positions the salaries of which are fixed by this section are exempt from the provisions of chapter 4, except as provided by section 93-90 as to the director of labor and industrial relations."

b. In view of the pending reorganization of the executive departments to conform to the requirement of the Hawaii State Constitution that there be not more than twenty principal departments, the salaries for department heads and deputies established by this section shall be subject to increase or decrease by the Legislature.

c. There is hereby appropriated from the general revenues of the Territory, the sum of \$81,164, or so much thereof as may be necessary, to supplement departmental appropriations so as to effectuate the purposes of this section.

The funds appropriated by this section shall not be expended to pay the officers whose compensation is paid from federal funds or from special funds of the Territory, whether in whole or in part and whether directly or indirectly, to the extent that the amount required to pay the increase in compensation authorized by this section can be obtained from such federal funds or special funds.

SECTION 7. The salaries of the deputy attorneys general in effect on the effective date of this Act are hereby increased by fifteen per cent effective July 1, 1959.

The sum of \$40,344, or so much thereof as may be necessary, is hereby appropriated from the general revenues of the Territory to supplement



departmental appropriations so as to effectuate the purpose of this section.

The funds appropriated by this section shall not be expended to pay the deputies whose compensation is paid from federal funds or special funds of the Territory, whether in whole or in part and whether directly or indirectly, to the extent that the amount required to pay the increase in compensation authorized by this section can be obtained from such federal funds or special funds.

SECTION 8. The compensation of the employees at the governor's office and Washington Place not covered by specific statutes and in effect on the effective date of this Act, is hereby increased by fifteen per cent, effective July 1, 1959.

The sum of \$26,197, or so much thereof as may be necessary, is hereby appropriated from the general revenues of the Territory to pay the increase provided by this section.

SECTION 9. a. Sections 146-2, 147-1 and 148-1 of the Revised Laws of Hawaii 1955, as amended by Act 170, Session Laws of Hawaii 1957, are hereby further amended so as to provide the following schedule of salaries for the officers of the counties of Hawaii, Kauai and Maui, respectively:

	Per Annum
Chairman and executive officer.....	\$14,500
Members of the board of supervisors (each).....	4,200
County attorney .....	12,500
Auditor .....	11,500
Treasurer .....	11,500
Clerk .....	11,500
Chief of police.....	11,000
Fire chief .....	11,000

b. Section 149-54 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

**"Sec. 149-54. Salaries of elective officers.** The salaries of the following officers of the city and county are hereby fixed and shall be payable semi-monthly out of the city and county treasury at the following annual rates:

	Per Annum
Mayor .....	\$20,000
Members of the board of supervisors (each).....	6,000
City and county clerk.....	14,000
Auditor .....	14,000
Treasurer .....	14,000
Sheriff .....	12,000"

c. Section 149-55 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

**"Sec. 149-55. Salaries of appointive officers.** The salaries of the following officers of the city and county are hereby fixed and shall be payable semi-monthly out of the city and county treasury at the following annual rates:

	Per Annum
City and county attorney.....	\$16,000
Public prosecutor .....	16,000
Controller .....	14,500
Chief of police.....	14,500
Fire chief .....	14,500

The board of supervisors of the city and county shall, any other law to the contrary notwithstanding, have authority to fix the salary of the chief engineer, department of public works; provided, that the annual salary for such position shall not be less than \$9,280 and provided, further, that such salary shall be fixed in an amount not exceeding that paid to the mayor."

d. The provisions of subsection (b) of this section shall control over any other law passed by the Thirtieth Legislature of the Territory of Hawaii which includes reference to the salaries of the legislative officers of the city and county of Honolulu, notwithstanding such other law may refer to them as councilmen or as supervisors.

SECTION 10. a. Section 5-20 of the Revised Laws of Hawaii 1955, as enacted by section 4 of Act 170 of the Session Laws of Hawaii 1957 is hereby amended to read:

**"Sec. 5-20. Limitation on salary of first deputy or assistant.** Notwithstanding any other law to the contrary, the salary of any first deputy or first assistant to the head of any department of the territorial or county governments shall not exceed a sum equal to ninety-five per cent of the salary of such department head. The salary of any such first deputy or first assistant, which shall exceed such limitation as of July 1, 1957, is hereby reduced to comply with the provisions of this section."

b. Section 5-20 as amended by this section shall be effective retroactively to July 1, 1957, and any first deputy or first assistant who would have received a salary equal to ninety-five per cent of the salary of his department head but for the provision of section 5-20 as it existed prior to the amendment made by this section may be granted salary adjustments retroactive to the date he would have received such salary, but in no event beyond July 1, 1957.

c. In fixing the compensation of officers and employees in the government service, the appropriate officials shall give due consideration to the limitations prescribed in section 5-20 of the Revised Laws of Hawaii 1955 as amended by this section and shall fix the salaries of the officers and employees so that such salaries will bear a reasonable relation to the salaries of the department heads and first deputies and first assistants. Anything to the contrary notwithstanding, no subordinate employee shall receive after the effective date of this Act a salary which exceeds the salary paid to his department head or to the first deputy or first assistant to the department head; provided that an employee who is receiving on the effective date of this Act a salary in excess of the salary paid to his department head or to the first deputy or first assistant to the department head shall continue to receive such salary so long as he remains in the same position, or until such time as the salaries of his department head or the first deputy or first assistant are sufficiently increased to authorize adjustments to the employee's salary.

SECTION 11. There is hereby appropriated from the general revenues of the Territory the sum of \$1,188,313 for the purpose of discharging the employer contributions of the Territory and the several counties to the employees' retirement system and under the Social Security Act with respect to increases provided by this Act and covered by appropriations from the general revenues of the Territory.

SECTION 12. The unrequired balance of any fund appropriated by this Act may be transferred by the director of the bureau of the budget to cover any deficiency in other appropriations made by this Act.

SECTION 13. If any portion of this Act or its application to any person or circumstances is held to be invalid for any reason, then the Legislature hereby declares that the remainder of this Act and each and every other provision thereof shall not be affected thereby.

SECTION 14. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 350.**

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### ACT 256

An Act to Amend Section 38-31, Revised Laws of Hawaii 1955, as Amended, Relating to Pay of Substitute Teachers.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Subsection (d) of Section 38-31 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by changing the pay under Class I from \$11 to \$13; under Class II from \$13 to \$15; and under Class III from \$15 to \$17.

SECTION 2. The sum of \$50,800 is hereby appropriated out of the general revenues of the territory, not otherwise appropriated, for the indicated purpose for the 1959-1961 biennium.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **H.B. 1428.**

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### ACT 257

An Act Relating to Taxation, Amending Chapters 117, 118, and 119 of the Revised Laws of Hawaii 1955, Being the General Excise Tax, Compensating and Consumption Tax Laws.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 117-5 of the Revised Laws of Hawaii 1955, as amended, is further amended by changing the period at the end of the first paragraph to a semicolon and adding the following:

"or (d) sales to a licensed producer, or to a cooperative association described in section 117-20(j) for sale to such producer, of poultry or animal feed, hatching eggs, or poultry or animal young, for raising or producing animal or poultry products for disposition as described in section 117-6 or to be incorporated in a manufactured product as described in clause (b) of this section. In the case of feed sold, as stated in the

preceding sentence, for poultry or animals to be raised or used for milking or egg laying purposes, this clause (d) applies by reason of the products so produced, but this clause (d) does not apply to the sale of feed for poultry or animals to be used for breeding, hauling or similar purposes, or to the sale of hatching eggs, poultry or animals to be hatched, raised or used for such purposes or for milking or egg laying, even though the poultry or animals ultimately will be butchered and sold or incorporated in a manufactured product;”.

SECTION 2. Section 117-5 of the Revised Laws of Hawaii 1955, as amended, is further amended by adding the following:

“or (e) sales to a licensed producer, or to a cooperative association described in section 117-20(j) for sale to such producer, of seed for producing agricultural products, or bait for catching fish (including the catching of bait for catching fish), which agricultural products or fish are to be disposed of as described in section 117-6 or to be incorporated in a manufactured product as described in clause (b) of this section.”

SECTION 3. Section 117-16 of the Revised Laws of Hawaii 1955, as amended, is further amended by inserting therein a new subsection (d-1) to read as follows:

“(d-1) Where, through the activity of a person taxable under subsection (f) of section 117-14, there have been rendered to a cane planter services consisting in the harvesting or hauling of the cane, or consisting in road maintenance, under a contract between the person rendering such services and the cane planter, covering such services and also the milling of the sugar, the services of harvesting and hauling the cane and road maintenance shall be treated the same as the service of milling the cane, as provided by subsection (d), and the value of the entire product, manufactured or sold for the cane planter under the contract, shall be included in the measure of the tax imposed on him as elsewhere provided.”

SECTION 4. Section 118-2 of the Revised Laws of Hawaii 1955, as amended, is further amended by amending the last paragraph thereof to read as follows:

“In all other cases the provisions of chapter 119 shall govern, and use or consumption of property in the Territory shall be exempted or taxed under that chapter, or taxed under this chapter the same as in the case of a purchaser who is a licensed retailer, as provided by chapter 119.”

SECTION 5. Chapter 119 of the Revised Laws of Hawaii 1955, as amended, is further amended in the following respects:

(a) By amending section 119-2 by deleting from paragraph (a) thereof the words and punctuation: “or the keeping for sale within six months after importation, of chicks or other poultry young, or the keeping of poultry eggs for hatching and sale of the broods within six months after importation of the eggs;”.

(b) By amending section 119-6 by inserting therein a new paragraph (d-1) to read as follows:

“(d-1) Any use or consumption of personal property exempted by section 119-6.1, or taxed under chapter 118 as there provided.”

(c) By inserting in said chapter 119 a new section to read as follows:

**"Sec. 119-6.1. Certain property used by producers.** (a) If a licensed producer, or a cooperative association acting under the authority of chapter 176 in order to sell to such producer, imports into the Territory, or acquires in the Territory, feed, hatching eggs, or poultry or animal young, in such manner and for such purposes that if the feed, hatching eggs, poultry or animal young so imported or acquired had been purchased in the Territory, clause (d) of section 117-5 would apply, or (b) if a licensed producer, or a cooperative association acting under the authority of chapter 176 or the Fish Marketing Act, in order to sell to such producer, imports into the Territory, or acquires in the Territory, seed or bait, in such manner and for such purposes that if the seed or bait so imported or acquired had been purchased in the Territory, clause (e) of section 117-5 would apply, then:

(1) If the producer is engaged in the sale of his products in the Territory at retail or in any manner other than at wholesale, the tax upon use of property in the Territory imposed by section 118-2(b) shall apply the same as in the case of a purchaser who is a licensed retailer.

(2) In other such cases no tax shall be imposed under this chapter or chapter 118."

SECTION 6. This Act shall take effect upon its approval and shall apply as follows:

(a) The amendments of chapter 117, Revised Laws of Hawaii 1955, shall apply to taxes accruing on and after July 1, 1959, provided however that in no case shall the amount of the tax be less than the amount charged by a seller to a purchaser on account of the tax.

(b) The amendments of chapters 118 and 119, Revised Laws of Hawaii 1955, shall apply to importations into the Territory which become subject to the taxing jurisdiction of the Territory, and to acquisitions made in the Territory, on or after July 1, 1959.

(Approved June 2, 1959.) **S.B. 187.**

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## ACT 258

An Act Amending Act 280, Session Laws of Hawaii 1953, as Amended, to Reappropriate Certain Unencumbered Balances of Appropriations Thereunder to the County of Maui.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. All unencumbered balances of appropriations from items 7(f) and 7(g), Section 2(a), Act 280, Session Laws of Hawaii 1953, as amended, are hereby reappropriated to the county of Maui for the purposes as set forth in said Act.

SECTION 2. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **S.B. 1323.**

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## ACT 259

An Act to Amend Chapters 213, 214, 215 and 116 of the Revised Laws of Hawaii 1955, Relating to Administration of Courts, and Making an Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 213 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) Section 213-1 is amended to read as follows:

**"Sec. 213-1. Judiciary department.** There shall be a department of government, styled the judiciary department."

(b) Three new sections shall be added after section 213-1 to read as follows:

**"Sec. 213-1.5. Administration.** The chief justice shall be the administrative head of the judiciary department. He shall make a report to the legislature, at each regular session thereof, of the business of the department and of the administration of justice throughout the Territory. He shall present to the legislature a unified budget for all of the courts in the department except the district courts. He shall direct the administration of the department, with responsibility for the efficient operation of all of the courts and for the expeditious dispatch of all judicial business.

He shall possess the following powers, subject to such rules as may be adopted by the supreme court:

"(a) To assign circuit judges from one circuit to another;

"(b) In a circuit court with more than one judge, (1) to make assignments of calendars among the circuit judges for each term of court and, as deemed advisable from time to time, to change assignments of calendars or portions thereof (but not individual cases) from one judge to another, and (2) to appoint one of the judges, for each term of court, as the administrative judge to manage the business of such court, subject to the rules of the supreme court and the direction of the chief justice;

"(c) To prescribe for all of the courts in the department a uniform system of keeping and periodically reporting statistics of their business;

"(d) To procure from all of the courts in the department except the district courts estimates for their appropriations; with the cooperation of the representatives of the court concerned to review and revise them as he deems necessary for equitable provisions for the various courts according to their needs and to present such estimates, as reviewed and revised by him, to the governor and the legislature as collectively constituting a unified budget for all of the courts in the department except the district courts:

"(e) To do all other acts which may be necessary or appropriate for the administration of the department."

**"Sec. 213-1.6. Administrative director.** The chief justice with the approval of the supreme court, shall appoint an administrative director of the courts to assist him in directing the administration of the judiciary department. The administrative director shall be a resident of the Territory for a continuous period of three years prior to his appointment, and shall be appointed without regard to chapters 3 and 4 and shall serve at the pleasure of the chief justice. He shall hold no other office or employment and shall receive a salary of not more than \$14,000 per year. He shall, subject to the direction of the chief justice, perform the following functions:

“(a) Examine the administrative methods of the courts and make recommendations to the chief justice for their improvements;

“(b) Examine the state of the dockets of the courts, secure information as to their needs for assistance, if any, prepare statistical data and reports of the business of the courts and advise the chief justice to the end that proper action may be taken;

“(c) Examine the estimates of the courts, other than the district courts, for appropriations and present to the chief justice his recommendations concerning them;

“(d) Examine the statistical systems of the courts and make recommendations to the chief justice for a uniform system of judicial statistics;

“(e) Collect, analyze and report to the chief justice statistical and other data concerning the business of the courts;

“(f) Attend to such other matters as may be assigned by the chief justice.

“The administrative director shall, with the approval of the chief justice, appoint such assistants as may be necessary. Such assistants shall be appointed subject to the provisions of chapters 3 and 4. The administrative director shall be provided with necessary office facilities.

“The judges, clerks, officers and employees of the courts shall comply with all requests of the administrative director for information and statistical data relating to the business of the courts and the expenditure of public funds for their maintenance and operation.”

“**Sec. 213-1.7. Judicial council.** The supreme court shall provide for the appointment of a judicial council which shall serve in an advisory capacity only. The judicial council shall give continuing consideration to the administration of justice in the courts of the Territory. It shall make reports and recommendations biennially to the supreme court and also whenever deemed advisable by said court. The chief justice shall be a member and chairman of the judicial council. The supreme court shall appoint, from time to time, such number of other members as it deems necessary to be fairly representative, but not to exceed fifteen, whose terms shall be in accordance with the rules of the supreme court. The members of the judicial council shall include laymen as well as judges and lawyers. The members of the judicial council shall receive no compensation for their service but they shall be reimbursed for their travelling and other expenses incidental to attending meetings.”

SECTION 2. Chapter 214 of the Revised Laws of Hawaii 1955 is hereby amended by amending section 214-13 to read as follows:

“**Sec. 214-13. Rules.** The supreme court may, from time to time, make rules consistent with existing laws for regulating the practice and conducting the business of such court, and also rules consistent with existing laws governing the administration of other courts, and thereafter revise such rules at its discretion. However, such rules shall require that, with the exception of the juvenile court calendar, there be a rotation of calendar assignments in the circuit court of the first circuit among the several judges thereof, but that no judge of said circuit court of the first circuit shall during any consecutive five terms of court be required to spend more than one of said terms on the divorce and one on the felony calendar; and that in any other circuit court having more than one judge, rotation of calendar assignments between or among the judges

thereof may be made by agreement by them with the approval of the chief justice, or, in the absence of agreement by them, then as may be directed by him.) In no case shall the court have power to impose costs not expressly authorized by law. The supreme court may prescribe for use in the several courts of the Territory such forms as it may deem convenient and sufficient. If printed at public expense, they shall be sold at such prices as will pay their cost."

SECTION 3. Chapter 215 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) Section 215-3 is amended by deleting the third sentence of the first paragraph thereof.

(b) Section 215-28 is hereby repealed.

SECTION 4. The sum of \$48,404 or so much thereof as may be necessary is hereby appropriated out of the general revenues of the Territory not otherwise appropriated for the purposes of this Act.

SECTION 5. This Act shall take effect upon its approval, provided, however, that the appointment provided herein shall not be made until after Hawaii officially becomes a state.

(Approved June 2, 1959.) **H.B. 514.**

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## ACT 260

An Act Relating to Reimbursement to the City and County of Honolulu Under Section 153-3 of the Revised Laws of Hawaii 1955 for the Cost of Frontage and General Improvements in the Various Improvement Districts of the City and County of Honolulu and Making Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The sum of \$26,560.49 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as assessments on lands owned by the Hawaii Housing Authority in the amount of \$12,296.77, the Tuberculosis Association in the amount of \$4,566.71, and the Board of Health in the amount of \$9,697.01 for frontage improvements constructed within improvement district number 94, Lanakila Street widening, in the district of Honolulu.

SECTION 2. The sum of \$763.45 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as assessments on lands owned by the Honpa Hongwanji Mission for frontage improvements constructed within improvement district number 97, University Avenue extension, in the district of Honolulu.

SECTION 3. The sum of \$21,114.95 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the pro-



visions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as off-street parking assessments on lands owned by the Library of Hawaii in improvement district number 131, Kaimuki Business Area Off-Street Parking, in the district of Honolulu.

SECTION 4. The sum of \$108,092.29 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as assessments on lands owned by the Territory of Hawaii in the amount of \$93,852.52 and the Young Women's Christian Association in the amount of \$14,239.77 for frontage improvements constructed within improvement district number 102, Richards Street widening, in the district of Honolulu.

SECTION 5. The sum of \$1,369.85 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments made by it as assessments on lands owned by the Kokokahi Community Trust in the amount of \$427.67, Mid-Pacific Institute in the amount of \$69.43, Hawaiian Evangelical Church in the amount of \$304.55, and Church of Crossroads in the amount of \$568.20 for general improvements constructed within improvement district number 132, Likeke Place and Kokokahi Place, in the city and county of Honolulu.

SECTION 6. The sum of \$2,032.93 is hereby appropriated out of the general revenues of the Territory of Hawaii, not otherwise appropriated, to reimburse the city and county of Honolulu under the provisions of Section 153-3 of the Revised Laws of Hawaii 1955 for payments to be made by it as assessments on lands owned by the Kaahumanu Society for general improvements to be constructed within improvement district number 130, Kamehameha Terrace, in the district of Honolulu.

SECTION 7. The sum of \$159,933.96, hereby appropriated, shall be paid to the treasurer of the city and county of Honolulu by the treasurer of the Territory of Hawaii when and as requested by the board of supervisors of the city and county of Honolulu.

SECTION 8. This Act shall take effect upon its approval.

(Approved June 2, 1959.) **H.B. 1109.**

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## ACT 261

An Act Providing a Charter for the City and County of Honolulu and Declaring the Effect Thereof.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Except as amended by this Act, the "Proposed Charter of the City and County of Honolulu", as approved at the special charter election on June 14, 1958, transmitted to the Secretary of Hawaii by the clerk of the city and county of Honolulu on July 11, 1958, and submitted by the Secretary of Hawaii to the Thirtieth Legislature on

March 6, 1959 in accordance with Chapter 149A Revised Laws of Hawaii 1955, as amended (Session Laws of Hawaii 1955, chapter 225, as amended by Session Laws of Hawaii 1957, chapter 277) is hereby ratified and approved and is hereby enacted as law.

SECTION 2. The "Proposed Charter of the City and County of Honolulu" is hereby amended in the following respects:

1. SECTION 3-102 thereof is amended by deleting the word "six" appearing in line 2 and substituting therefor the word "three" and by deleting the word "three" appearing in line three and substituting therefor the word "six".
2. SECTION 3-103 thereof is hereby amended by deleting the last three lines, reading as follows:  
 "D Eleventh, twelfth and thirteenth  
 E Fourteenth and fifteenth  
 F Sixteenth and seventeenth"
3. SECTION 5-606 thereof is hereby amended by deleting the first paragraph and the numeral "2" at the beginning of the second paragraph.
4. SECTION 5-608 thereof is hereby amended to read as follows:  
 "SECTION 5-608. POSITION CLASSIFICATION PLAN;  
 COMPENSATION.

Except as provided by SECTION 5-603, all positions in the service of the city shall be classified within a position classification plan, and all persons holding such positions shall be compensated, as provided by the compensation law of the Territory."

5. SECTION 14-101 thereof is hereby amended by deleting subparagraph "(d)" thereof.

SECTION 3. All provisions of the "Proposed Charter for the City and County of Honolulu", as amended by this Act, shall become effective as of July 1, 1959, subject to the transition schedule as set forth in ARTICLE XIV thereof.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 5, 1959.) **H.B. 18.**

## ACT 262

An Act Relating to the Compensation of District Magistrates.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 220-3 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Section 220-3. Honolulu; salary rates.

	Per month	Per annum
First, second, third and fourth district magistrates, Honolulu, who shall not engage in the practice of law during their terms of office...	\$900.00	\$10,800.00
District magistrate, Ewa.....	475.00	5,700.00
District magistrate, Waianae.....	375.00	4,500.00

District magistrate, Waialua.....	375.00	4,500.00
District magistrate, Koolaupoko and Koolauloa .....	475.00	5,700.00
District magistrate, Wahiawa.....	450.00	5,400.00

Clerks, reporters and interpreters, district court, Honolulu,  
(at rates provided under chapter 4) ;

A chief clerk

A clerk-reporter supervisor

Such other clerks and clerk-reporters as may be needed

A Japanese interpreter

A Filipino interpreter

A Chinese interpreter”.

SECTION 2. Section 220-4 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

“**Section 220-4. Hawaii.** The district magistrates, clerks and other assistants referred to in section 220-2, and the salary rates of the district magistrates for the county of Hawaii are as follows:

	Per month	Per annum
District magistrate, Hamakua, North and South Kohala.....	\$450.00	\$ 5,400.00
Clerk and reporter, district court of Hamakua, North and South Kohala, to be employed on a part-time basis and paid such salaries as may be determined by the board of supervisors, county of Hawaii.		
District magistrate, North and South Kona.....	400.00	4,800.00
District magistrate, Kau.....	300.00	3,600.00
District magistrate, South Hilo, North Hilo and Puna, who shall not engage in the practice of law during his term of office.....	900.00	10,800.00

Chief clerk, first assistant clerk and reporter, and second assistant clerk and reporter, district court of South Hilo, North Hilo and Puna, whose salaries shall be paid by the county of Hawaii, as provided for by chapter 4.”

SECTION 3. Section 220-5 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

“**Section 220-5. Kauai.** The district magistrates referred to in section 220-2, and their salary rates for the county of Kauai are as follows:

	Per month	Per annum
District magistrate, Lihue and Koloa.....	\$475.00	\$ 5,700.00
District magistrate, Waimea.....	350.00	4,200.00
District magistrate, Kawaihau and Hanalei.....	350.00	4,200.00”

SECTION 4. Section 220-6 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

“**Section 220-6. Maui.** The district magistrates, clerks and other assistants referred to in section 220-2 and the salary rates of the district magistrates for the county of Maui are as follows:

	Per month	Per annum
District magistrate, Lahaina and Lanai.....	\$400.00	\$ 4,800.00
Clerk and stenographer, Lahaina. Clerk and stenographer, Lanai		
District magistrate, Wailuku, who shall not engage in the practice of law during his term of office .....	900.00	10,800.00
Clerk and stenographer, Wailuku		
District magistrate, Makawao and Hana.....	450.00	5,400.00
Clerk and stenographer, Makawao		
District magistrate, Molokai.....	300.00	3,600.00
Clerk and stenographer, Molokai		

The salaries for the above clerks and stenographers shall be as provided under chapter 4."

SECTION 5. Paragraph four of Section 216-3 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Any second or third magistrate so serving or any magistrate so serving by designation of the chief justice shall receive as compensation for his services for the duration of such disqualification, absence, illness, or vacancy a per diem compensation for the days on which actual service is rendered based on the monthly rate of compensation paid to the magistrate of the district in which the service is performed. For the purpose of determining per diem compensation in this section, a month shall be deemed to consist of twenty-one days."

SECTION 6. Chapter 220 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section thereto to read as follows:

"Section 220-8. **Kalawao.** The salary rate of the district magistrate for the county of Kalawao is as follows: \$210 per month or \$2,500 per annum."

SECTION 7. The sum of \$480 or so much thereof as may be necessary is hereby appropriated from the general fund of the Territory, not otherwise appropriated, for the purpose of paying the salary increase of the district magistrate of Kalawao from July 1, 1959 to June 30, 1961.

SECTION 8. This Act shall take effect upon its approval.

(Approved June 5, 1959.) **H.B. 1485.**

## ACT 263

An Act Relating to Certain Continuous Appropriations, and Making Certain General Appropriations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 1-47 of the Revised Laws of Hawaii 1955 relating to the annual appropriation for the commission on uniform legislation is deleted.

SECTION 2. Sections 1, 2 and 3 of Act 224 of the Session Laws of Hawaii 1943 relating to the maintenance and upkeep of Kuhio Memorial Park, Koloa, Kauai, is hereby amended to read as follows:

"Sec. 1. It is hereby authorized that one hundred dollars (\$100) per month or so much thereof as may be necessary as determined by the superintendent of public works, Territory of Hawaii, may be expended under his supervision for the maintenance and upkeep of the Kuhio Memorial Park, Koloa, Kauai, in memory of the late Prince Jonah Kuhio Kalaniana'ole from the general revenues of the Territory upon appropriation of such funds.

"Sec. 2. An appropriate monthly sum shall be paid to Kaumualii Chapter No. 3, Order of Kamehameha, which is now operating and maintaining said park and so long as it shall continue to operate and maintain the same upon appropriation of such funds.

"Sec. 3. All expenditures from the authorized moneys under this Act shall be made upon vouchers approved by said superintendent of public works, and the auditor of the Territory of Hawaii is hereby authorized and directed to draw warrants against such appropriation with such approval."

SECTION 3. Section 348-3 of the Revised Laws of Hawaii 1955 relating to appropriations for veterans' cemeteries, is hereby amended to read as follows:

"**Sec. 348-3. Annual territorial authorization.** There is hereby annually authorized out of the general revenues of the Territory not otherwise appropriated, the sum of \$20,000, or so much thereof as may be necessary, to be expended upon appropriation of such funds for the establishment and maintenance of veterans' cemeteries, in the amounts designated:

- "(a) \$5,000 for the veterans' cemetery on the island of Hawaii.
- "(b) \$5,000 for the veterans' cemetery on the island of Kauai.
- "(c) \$5,000 for the veterans' cemetery on the island of Maui.
- "(d) \$5,000 for the veterans' cemetery on the island of Molokai.

"The moneys that may be appropriated under the authority of this section shall be paid into the treasuries of the respective counties when and as required for expenditure, such moneys to be held in the territorial treasury until payment thereof into the treasury of a particular county is requested by resolution of the board of supervisors of that county. All such funds when paid into a county treasury shall be held for the purpose stated in sections 348-1 and 348-3."

SECTION 4. Sections 19-22 and 19-26 of the Revised Laws of Hawaii 1955 are hereby amended as follows:

(a) The first three words of the first sentence of Section 19-22 are hereby amended by substituting the words "the funds as may be" for the words "the funds hereinafter".

(b) Section 19-26 is hereby amended to read as follows:

"**Sec. 19-26. Vouchers for expenditures.** The moneys herein as may be appropriated shall be expended upon warrants drawn by the auditor of the Territory upon vouchers signed by the president of the board of commissioners of agriculture and forestry."

SECTION 5. Section 19-23 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 6. This Act shall take effect upon approval to take effect on July 1, 1959.

(Approved June 5, 1959.) **H.B. 1608.**

**ACT 264**

An Act Relating to Commercial Employment Agencies, and Amending Chapter 88 and Repealing Section 155-53 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 88-1 of the Revised Laws of Hawaii 1955 is hereby amended by deleting therefrom the lines 16, 17 and 18 relating to the definition of commercial employment agencies.

SECTION 2. Sections 88-20 and 155-53 of the Revised Laws of Hawaii 1955 are hereby repealed.

SECTION 3. There is hereby added to the Revised Laws of Hawaii 1955 a new chapter to be numbered 88-A and reading as follows:

**"CHAPTER 88-A. COMMERCIAL EMPLOYMENT AGENCIES.**

**Section 88A-1. Definitions.**

As used in this chapter.

(a) "Commission" means the commission of labor and industrial relations.

(b) "Director" means the director of labor and industrial relations.

(c) "Appeal board" means the labor and industrial relations appeal board.

(d) "Employment agency" means any individual, agent, partnership, corporation or association, engaged in the business of providing employment information, procuring employment for applicants, or procuring employees for placement with employers upon request, for a fee or other valuable thing, exacted, charged or received, but shall not include the United States or the Territory of Hawaii or instrumentalities thereof.

(e) "Employer" includes any individual, agent, partnership, corporation or association, employing or seeking to employ any person for hire.

(f) "Applicant" means any person who uses the services of an employment agency to secure employment for himself.

(g) "Gross wages, salaries or commissions" means the gross amount of the applicant's actual earnings from employment.

**Section 88A-2. License required.** No employment agency shall engage in business without a license obtained under the provisions of this chapter and the rules and regulations of the commission.

**Section 88A-3. License fee.** Every employment agency shall pay an annual license fee of \$25.

(a) The fee shall be paid to the director on or before July 1 of each year.

(b) Failure to pay such annual license fee shall constitute a forfeiture of the license.

(c) Fees collected by the director shall be deposited in the general fund of the Territory of Hawaii.

**Section 88A-4. Bond.** Each licensed employment agency shall give and keep in force a bond with the director in the penal sum of \$3,000 with good and sufficient surety or sureties approved by the director, conditioned:

(a) That the licensee shall not violate any of the provisions of this chapter.

(b) That the licensee shall faithfully, promptly and truly refund all fees illegally or incorrectly obtained from applicants to the director.

**Section 88A-5. Application for license.** Every individual, agent, partnership, corporation or association seeking a license to operate an employment agency shall file a written application with the director which shall contain such information and shall be in such form as the director may prescribe.

**Section 88A-6. Issuance of license.** Upon receipt of an application for a license to conduct an employment agency, the director may order the issuance of such license provided that the application is complete and in proper form.

(a) Every license issued shall be valid only as to the employment agency and premises named therein. The location of an employment agency shall not be changed without the written consent of the director and such change of location shall be endorsed on the license.

(b) Such license shall not be transferable except on approval of the director.

**Section 88A-7. Termination of license.** Every license to conduct an employment agency shall be valid under the terms set forth in the license. Such license shall expire on the 30th day of June of each year.

**Section 88A-8. Posting.** Every license to conduct an employment agency together with a copy of the fee schedule shall be posted in a conspicuous place in the main room of such agency.

**Section 88A-9. Records and reports.** Every employment agency shall keep records and make such reports with respect to the operation of the business as the commission by rule or regulation may prescribe. Such records as required by regulation shall be preserved by the agency and kept in the office of the employment agency for a period of at least two years.

**Section 88A-10. Maximum fees that may be charged.** No employment agency shall charge or collect, any fee which exceeds the following schedule of percentage of the first month's gross wages, salaries or commissions:

Wages, Salaries or Commissions	Maximum Percentage Permitted
\$100.00 or less.....	10%
\$100.01 to \$150.00.....	15%
\$150.01 and over.....	20%

**Section 88A-11. Prohibitions.** No employment agency licensed under the provisions of this chapter and no agent or employee of an employment agency shall do, make or cause to be made or done any of the following acts herein prohibited and every such employment agency, its agents and employees shall do and perform every act, duty or requirement hereinafter prescribed.

(a) No employment agency shall cause to be printed, published or circulated any false, fraudulent or misleading information, notice or advertisement nor shall an employment agency give or cause to be made or given any false promise, misrepresentation, or misleading statement or information.

(b) No employment agency shall send out any applicant for employment without having first obtained either orally or in writing a bona fide job order from the prospective employer.

(c) No employment agency shall knowingly send out any applicant for employment to any place where a strike, walk-out, or other labor dispute exists without first furnishing such applicant with a written statement as to the existence of such labor dispute, and such employment agency shall retain on file for two years after the date thereof, a copy of such statement of fact, signed by the applicant so sent.

(d) No employment agency shall divide or share, or offer to divide or share with any employer, his employees, agents or representatives, any fee, charge, or compensation received from any applicant. No employment agency shall cause or attempt to cause the discharge of any person not an employee of such employment agency for the purpose of obtaining other employment through such agency for such person.

(e) No employment agency shall send out any minor or female applicant for employment without making an investigation of the nature of the employment or engagement and the duties thereof and reputation of the employer. No such employment agency shall wilfully or knowingly send or direct any female applicant for employment or any minor to any employment of an immoral character. No such employment agency shall wilfully or knowingly procure or place or attempt to place any minor in any employment in any place where intoxicating liquors are served or sold.

(f) No employment agency shall wilfully or knowingly place or assist in placing any applicant in employment in violation of any law of this Territory or any lawful order, rule or regulation prescribed by the commission.

(g) No employment agency shall require an applicant to pay any advance fee or any other fee, deposit or compensation other than as prescribed in this chapter.

(h) No employment agency shall display, on any sign or window or in any publication the name "United States Employment Service" or "Territory of Hawaii Employment Service".

(i) No employment agency or any person connected therewith shall receive or require any applicant to execute any power of attorney, promissory note, negotiable instrument, assignment of wages or salary, note authorizing a confession of judgment, or any instrument or document relating to the liability of the applicant, unless this instrument or other document has been approved both as to form and content by the director or his authorized representative.

**Section 88A-12. Restitution of illegal fees.** Whenever in the course of an investigation made pursuant to the provisions of this chapter, it is determined that there has been an illegal collection of fees, the employment agency shall refund the fee illegally collected upon the order of the director or his authorized representative. Failure to refund said fee



shall constitute a violation of this chapter subject to the penalties provided herein.

**Section 88A-13. Director's rights.** The director and his authorized representatives shall have the power and authority to enter any office, building, premises, or other place in which an employment agency is operated for the purpose of making investigations for the proper enforcement of the provisions of this chapter and such rules and regulations as the commission may prescribe. No person shall refuse the director or his authorized representative admittance to any such office, building, premises or other place. The director and his authorized representatives shall for the purpose of examination have access to and the right to copy any book, account, receipt, contract or other paper or document relating to the business of conducting an employment agency. Every person shall furnish to the director or his authorized representative such information relating to the business of conducting an employment agency. The rights as specified above shall be limited to regular business hours and at such other times as the director feels will be necessary to effectuate the purpose of this chapter.

**Section 88A-14. Revocation and cancellation.** Any license may be revoked or cancelled for cause at any time by the director after affording all interested parties reasonable opportunity for a fair hearing. Cause shall mean violation of any provision of this chapter or rule or regulation of the commission.

**Section 88A-15. Reconsideration.** In the absence of appeal and within ten days after mailing or delivery of notice of decision made pursuant to sections 6 and 14 to the parties entitled thereto, the director may, for good cause, on his own motion or upon application of any interested party reconsider such decision. Upon an application for reconsideration the director shall promptly reconsider the decision or, upon his own motion, transfer the application to the appeal board. Upon transfer such application shall be deemed to constitute an appeal from the director's decision as of the date of the application.

**Section 88A-16. Appeals from director's decisions.** Any person deeming himself aggrieved by the decision of the director made pursuant to this chapter may appeal from such decision by filing a written notice of appeal within ten days after mailing or delivery of notice of decision with the appeal board.

The appeal board shall hold a full hearing de novo on the appeal and make its decision in writing which shall be filed with the record of the proceedings. The appeal board shall immediately send to the parties and the director a copy of the decision.

**Section 88A-17. Appeals from the appeal board.** Any person deeming himself aggrieved by the decision of the appeal board shall have the same right to appeal therefrom, in the same manner and upon the same conditions, as is provided for by section 88-14, Revised Laws of Hawaii 1955, with respect to appeals from decisions of the commission.

**Section 88A-18. Stay of enforcement.** In no case shall an application for reconsideration or an appeal to the appeal board or to the circuit court operate as a supersedeas or stay unless the circuit court so orders.

**Section 88A-19. Rules and regulations.** The commission may make, amend or repeal such rules and regulations as it may deem proper to fully effectuate the provisions of this chapter.

**Section 88A-20. Penalties.** Any employment agency which violates any of the provisions of this chapter is punishable upon conviction by a fine of not more than \$1,000, or imprisonment for not more than six months, or both."

SECTION 4. This Act shall take effect upon its approval.

(Approved June 5, 1959.) **H.B. 1008.**

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## ACT 265

An Act Relating to the Disposition and Accounting for Revenues of the Territory, Amending the Revised Laws of Hawaii 1955 to Provide for the Disposition of Certain Special Funds and Making Appropriations.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. It is the purpose of this Act to bring about a general revision of the fund structure of the Territory by the abolition of certain special funds, the revenues previously paid into which are henceforth to be credited to the general fund of the Territory. In order to provide for continuity of services, this Act makes appropriations to the agencies affected.

SECTION 2. **General fund.** Chapter 9, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be number 9-1.1 and to read as follows:

**"Sec. 9-1.1. General fund.** All revenues of the Territory or of any agency thereof not specifically appropriated to other purposes shall be general realizations of the Territory to be available for general use in financing government operations and services, which revenues and realizations in their aggregate are herein referred to as the "general fund". Expenditures from this fund shall be authorized by the Legislature through appropriations or otherwise, and expenditures shall be made in accordance with laws and regulations governing the expenditure of public funds generally."

SECTION 3. Chapter 19, Revised Laws of Hawaii 1955, is hereby amended in the following respects:

(a) Disposition of income relating to forest reserves. Section 19-7 is hereby amended to read as follows:

**"Sec. 19-7. Income from forest reservation.** In case any moneys accrue from any forest reservation, or the products thereof, the same shall be deposited with the treasurer of the Territory to the credit of the general fund."

(b) Disposition of income relating to territorial parks. Section 19-35 is hereby amended to read as follows:

**"Sec. 19-35. Territorial park income.** All moneys derived from any privilege, convenience, contract, lease, license or otherwise relating to territorial parks shall be deposited with the treasurer of the Territory

to the credit of the general fund; provided, however, that moneys received as gifts, bequests, or contributions, shall be accounted for and expended in accordance with the terms thereof."

**SECTION 4. Disposition of income relating to fish and game.** Section 21-7, Revised Laws of Hawaii 1955, is hereby amended by amending the first paragraph to read as follows:

**"Sec. 21-7. Disposition of revenues.** All moneys collected each month as fees for hunting and fishing permits or licenses and all fees for commercial fishing, including commercial fishermen's licenses, permits for sampans, outrigger canoes and row boats, and mullet licenses, and all other moneys collected under the provisions of any law relating to the importation, taking, catching, killing of fish, game, game birds and game animals shall be deposited with the treasurer of the Territory to the credit of the general fund. The moneys collected shall be available for expenditure only by the board of commissioners of agriculture and forestry in accordance with appropriations authorized by the Legislature of the Territory, and shall be expended by the board for the importation, preservation, propagation and protection of game fish, game birds, other game animals or crustaceans into or in the Territory, and for the payment of expenses incurred in the prosecution of offenders against the fish and game and fish and game license laws of the Territory, and for the conservation of commercial fisheries and all phases of the work pertaining thereto and all expenses connected therewith, which the board in its discretion deems expedient."

**SECTION 5. Disposition of income relating to marketing inspection and agricultural control.** Section 22-9, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 22-9. Income from marketing inspection and agriculture control activities.** All fees, expenses and penalties collected by the director pursuant to the provisions of this part and any funds from the sale of labels or tags which may be prepared and sold pursuant to the regulations hereunder shall be deposited with the treasurer of the Territory to the credit of the general fund."

**SECTION 6. Disposition of income relating to civil identification.** Section 32-17, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 32-17. Disposition of income.** All moneys received by the bureau under this chapter shall be deposited with the treasurer of the Territory to the credit of the general fund."

**SECTION 7. Disposition of income relating to agricultural unemployment compensation administration.** Section 93A-36, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 93A-36. Deductions for administration.** (a) There shall be deducted and paid into the general fund of the Territory from the contributions made by any agricultural employer making contributions under this chapter an amount equal to one-tenth of one per cent of his annual payroll as defined in section 93A-19. In case of an agricultural employer with a zero contribution rate there shall be levied against his reserve account and transferred from the agricultural unemployment

compensation fund to the general fund an assessment in an amount equal to one-tenth of one per cent of his annual payroll as so defined.

(b) Every agricultural employer who has been exempted from the payment of contributions pursuant to section 93A-20 shall pay to the commissioner during the period of his exemption, an assessment equal to one-tenth of one per cent of said annual payroll as defined in section 93A-19. Assessments shall become due and be paid by each exempted agricultural employer in accordance with such regulations as the board may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in his employ."

**SECTION 8. Accounting for vocational education programs.** Section 42-7, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 42-7. Accounting for vocational education programs.** Vocational education programs shall be accounted for in accordance with procedures established by the comptroller of the Territory."

**SECTION 9. Disposition of certain income from alcoholic beverage licenses.** Section 46-25.1, Revised Laws of Hawaii 1955 sections 46-25.2, 46-25.3 and 159-15 of the Revised Laws of Hawaii 1955, are hereby amended in the following manner:

(a) Section 46-25.1 is hereby repealed.

(b) Section 46-25.2 is hereby amended to read as follows:

**"Sec. 46-25.2. Employment of personnel.** The board of health may employ personnel on a part time and contract basis for work in the clinic for alcoholism and persons so employed may be employed without being subject to the civil service laws of the Territory or the city and county."

(c) Section 46-25.3 is hereby amended to read as follows:

**"Sec. 46-25.3. Hospital expenses of indigents and medically indigents.** The director of the clinic may in his discretion defray the hospital expenses of any indigent or medically indigent victim of alcoholism requiring hospitalization for a period not to exceed seven days."

(d) Section 159-15 is amended by adding a final paragraph to read as follows:

"The liquor commission of the city and county of Honolulu shall pay into the territorial treasury at the end of each quarter of the fiscal year 12½ per cent of all funds received by it in payment of liquor license fees. Such payments from the city and county of Honolulu shall be deposited to the credit of the general fund."

**SECTION 10. Disposition of income relating to the abatement of health nuisances.** Section 47-3, Revised Laws of Hawaii 1955, is hereby repealed.

**SECTION 11. Disposition of income from radium.** Sections 54-1 and 54-3, Revised Laws of Hawaii 1955, are hereby amended in the following respects:

(a) Section 54-1 is hereby amended to read as follows:

**"Sec. 54-1. Purchase of radium or other radioactive substances.** The board of health may purchase radium or other radioactive substances to be used for medical or surgical purposes out of any moneys appropriated

therefor. The radium or other radioactive substances so purchased shall be such as are approved by the bureau of standards at Washington, D. C. Such purchases may be made without regard to the provisions of sections 9-21 to 9-24."

(b) Section 54-3 is hereby amended to read as follows:

**"Sec. 54-3. Under care and control of board of health.** The board shall be responsible for the care, control and safe-keeping of the radium so purchased."

**SECTION 12. Disposition of income relating to Hawaii birth registrations.** Sections 57-41 and 57-42, Revised Laws of Hawaii 1955, are hereby amended in the following respects:

(a) Section 57-41 is hereby repealed.

(b) Section 57-42 is hereby amended by amending the final sentence to read:

"All such fees collected shall be deposited with the treasurer of the Territory to the credit of the general fund."

**SECTION 13. Disposition of income relating to employment security administration.** Sections 93-103 and 93-124, Revised Laws of Hawaii 1955, are hereby amended in the following respects:

**"Sec. 93-103. Territorial employment service.** The provisions of the Wagner-Peyser Act, as amended, are hereby accepted by this Territory and the board is hereby designated and constituted the agency of this Territory for the purpose of such Act. The board shall establish and maintain free public employment offices in such number and in such places as may be necessary for the proper administration of this chapter and for the purposes of performing such functions as are within the purview of the Wagner-Peyser Act. For the purpose of establishing and maintaining free public employment offices and promoting the use of their facilities, the board is authorized to enter into agreements with the Railroad Retirement Board, or any other agency of the United States, or of this or any other state charged with the administration of any law whose purposes are reasonably related to the purposes of this chapter, and as a part of such agreements may accept moneys, services or quarters as a contribution to the maintenance of the territorial system of public employment offices or as reimbursement for services performed. All moneys received for such purposes shall be deposited with the treasurer of the Territory and shall be expended subject to regulations of the federal government and subject to appropriation, budgeting and accounting requirements of the Territory."

(b) Section 93-124 is hereby amended to read as follows:

**"Sec. 93-124. Financing employment security administration.** All moneys received from the federal government or other sources that are required by federal law or regulations to be for the purposes of administering the employment security program shall be expended subject to the findings of the secretary of labor as to purpose and amount, and subject to all appropriation, budgeting, and accounting requirements of the Territory not inconsistent with federal laws and regulations governing such moneys."

**SECTION 14. Disposition of income from public utilities fees.** Section 104-27, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**"Sec. 104-27. Finances; public utility fees.** Sections 219-5 to 219-9 shall apply to the commission and each commissioner, as well as to the supreme and circuit courts and the justices and judges thereof, and all costs and fees paid or collected hereunder shall be deposited with the treasurer of the Territory to the credit of the general fund.

There shall also be paid to the commission in each of the months of July and December in each year by each public utility which is subject to investigation by the commission a fee which shall be equal to one-eighth of one per cent of the gross income from the public utility business carried on by such public utility during the preceding year, or the sum of \$15, whichever is greater; provided that in the case of a public utility to which the Civil Aeronautics Act of 1938, as amended, applies, the fee shall be equal to one-twentieth of one per cent of the gross income from the public utility business carried on by such public utility during the preceding year, plus one-fiftieth of one per cent of the par value of the stock issued by such public utility and outstanding on December 31 of the preceding year. Such fee shall likewise be deposited with the treasurer of the Territory to the credit of the general fund."

**SECTION 15. Disposition of income relating to small boat harbors.** Sections 112-18 and 112-21, Revised Laws of Hawaii 1955, are hereby amended in the following respects:

(a) Section 112-18 is hereby amended to read as follows:

**"Sec. 112-18. Rates, how fixed.** The board shall adjust and fix and enforce the rates assessable and chargeable by it in respect to dockage, wharfage, demurrage and other rates pertaining to harbors, wharves and properties managed and operated by it, so as to produce therefrom:

(a) In respect to all such harbors, wharves and other properties, except such as are principally used for recreation or the landing of fish, revenues for the harbor board special fund sufficient to: (1) pay when due all bonds and interest thereon, for the payment of such revenue is or shall have been pledged, charged or otherwise encumbered, including reserves therefor; (2) provide for all expenses of operation and maintenance of such properties, including reserves therefor, and including the expenses of operation of the board in connection therewith; and (3) reimburse the general fund of the Territory for all bond requirements for general obligation bonds which are or shall have been issued for harbor or wharf improvements, or to refund any of such improvement bonds, excluding, however, bonds the proceeds of which were or are to be expended for improvements which are or will be neither revenue producing nor connected in their use directly with revenue producing properties.

(b) In respect to properties under its control and management which are principally used for recreation or the landing of fish revenues may be collected based on the expenses of operation and maintenance and the cost to the Territory of the improvements used; provided, that rates established under this paragraph shall be reasonable and shall be fixed with due regard to the primary purposes of providing public recreational

facilities and promoting the fishing industry. All such revenues shall be deposited with the treasurer of the Territory to the credit of the general fund."

(b) Section 112-21 is hereby amended to read as follows:

"**Sec. 112-21. Maintenance of small boat harbors.** The cost of maintenance and operation of properties under the control and management of the board which are used principally for recreation and the landing of fish shall be paid from the general fund."

**SECTION 16. Disposition of income from highway property.** The second paragraph of section 129-13, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"The territorial highway engineer shall reimburse the commissioner of public lands, from the territorial highway fund, for all expenditures involved in the collection of such rental income and of the management and maintenance of such property. Such reimbursements shall be deposited in the general fund."

**SECTION 17. Disposition of income relating to the regulation of notaries public.** Section 168-9, Revised Laws of Hawaii 1955, is hereby amended by amending the last paragraph to read as follows:

"The foregoing fees collected by the attorney general shall be deposited with the treasurer of the Territory to the credit of the general fund."

**SECTION 18. Disposition of income relating to armories.** Section 353-25, Revised Laws of Hawaii 1955, is hereby amended by substituting for the third and fourth sentences thereof the following sentence: "All moneys received from the rentals shall be deposited with the treasurer of the Territory to the credit of the general fund."

**SECTION 19.** The comptroller shall create such working capital funds, trust funds or restricted accounts to carry out the provisions and intent of this Act as he deems necessary in the best interest of the Territory in accordance with section 34-17, Revised Laws of Hawaii 1955.

**SECTION 20. Federal grants-in-aid requirements.** In the event any provisions of this Act should conflict with federal grants-in-aid requirements, the terms and provisions required by the United States shall govern in accordance with the provisions of section 12-5, Revised Laws of Hawaii 1955.

**SECTION 21. Appropriations.** The following sums, or so much as may be necessary in order to provide for continuing services of the agencies and programs affected by this Act, are hereby appropriated from the general fund to supplement appropriations made under the general appropriations Act for the biennium beginning July 1, 1959, and ending June 30, 1961:

**BOARD OF AGRICULTURE**

<b>AND FORESTRY .....</b>	<b>\$ 311,303.00</b>
Forest Reserves .....	\$ 40,500.00
Territorial Parks .....	15,675.00
Fish and Game.....	126,300.00
Marketing Inspection and Agricultural Control .....	128,828.00

ATTORNEY GENERAL .....		34,305.00
Civil Identification .....	31,455.00	
Notaries Public .....	2,850.00	
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS .....		43,966.00
Agricultural Unemployment Compensation Administration .....	43,966.00	
DEPARTMENT OF HEALTH.....		75,230.00
Alcoholism Clinic .....	70,905.00	
Purchases of Radium and Other Radioactive Substances .....	4,325.00	
SECRETARY OF HAWAII.....		5,413.00
Hawaiian Birth Registration.....	5,413.00	
PUBLIC UTILITIES COMMISSION.....		292,838.00
BOARD OF HARBOR COMMISSIONERS		422,275.00
Small Boat Harbors.....	422,275.00	
DEPARTMENT OF PUBLIC LANDS....		30,000.00
Highway Property Management.....	30,000.00	
MILITARY DEPARTMENT .....		18,000.00
Armory Maintenance .....	18,000.00	
TOTAL .....		\$1,233,330.00

SECTION 22. **Federal funds.** Any funds received from the federal government deposited or lapsed into the general fund of the Territory pursuant to this Act shall be appropriated to such agency and for such purposes for which such funds were furnished; and such funds shall be disbursed in a manner consistent with the intent and purposes for which said funds were furnished by the federal government.

SECTION 23. For the biennium 1959-1961, or the fiscal year 1959-1960 if statehood is achieved during the fiscal year 1959-1960, in the absence of legislative appropriations for special funds as provided under section 2 of Act 320, S.L.H. 1957, departments and establishments shall be authorized to expend so much as is deemed necessary to carry out the purposes of each special fund, as approved by the governor, or the director of the bureau of the budget if so delegated by the governor; provided, that such expenditures shall not exceed the monies available in the special fund.

SECTION 24. **Date and manner of effect.** This Act shall take effect on June 30, 1959, on which date any balance in any existing special fund affected by this Act shall lapse to the general fund; provided that the comptroller may transfer all or parts of any such balances to such working capital funds, trust funds, or restricted accounts established under the provisions of section 19 and as he deems necessary.

(Approved June 5, 1959.) **S.B. 4.**

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ACT 266

An Act Relating to the Hawaii Housing Authority; Authorizing the Hawaii Housing Authority to Issue and Sell Bonds and to Secure



the Payment of Such Bonds and the Interest Thereon; Providing for Housing Projects and Housing; and Amending Chapter 77 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 77 of the Revised Laws of Hawaii 1955 is hereby amended by adding a new part thereto, to be numbered Part IV, and to read as follows:

**"PART IV. HOUSING BONDS.**

**Sec. 77-70. Definitions.** The following terms wherever used or referred to in this part shall have the following respective meanings, unless a different meaning clearly appears from the context:

The term 'housing authority' or 'authority', 'Territory', 'governor', 'government', 'federal government', 'commissioner' and 'community facilities' shall have the respective meanings set forth for such terms in chapter 74.

'Bonds' or 'housing bonds' mean bonds, interim certificates, notes, debentures or other evidences of indebtedness of the authority, authorized by the provisions of this part.

'Mortgage' includes a mortgage, trust indenture, declaration of trust, or other similar instrument, and means one authorized by this part and may be made either to a holder of housing bonds, as mortgagee, or to a trustee or trustees for any holder of housing bonds.

'Resolution of issuance' means a resolution or resolutions adopted by the authority pursuant to section 77-73 of this part.

'Housing project' or 'housing' includes existing housing projects or housing heretofore acquired or constructed under part I, part II, or part III of chapter 77 and, also, housing projects or housing that will be acquired or constructed under any of the said parts, and such terms shall otherwise have the same meaning as set forth for 'housing project' in section 77-31 of said part II.

**Sec. 77-71. Bond issues authorized.** In accordance with the powers contained in Public Law 202, Seventy-fifth Congress, first session, as amended, the authority is hereby authorized, with the approval of the governor, to issue and sell housing bonds (including refunding bonds for the purpose of paying or refunding bonds previously issued by the authority under this part) from time to time, at such times and in such amounts as it may deem advisable for the purpose of acquiring or constructing housing projects or housing under chapter 77. The authority may issue such types of housing bonds as it may determine, including bonds on which the principal and interest are payable: (a) exclusively from the income and revenues of the housing project or projects that will be acquired or constructed under chapter 77 with the proceeds of such bonds, or with such proceeds together with other available funds; or (b) exclusively from the income and revenues of a designated housing project or projects acquired or constructed under chapter 77 whether or not such project or projects have already been acquired or constructed and are existing, or will be acquired or constructed with the proceeds of such bonds, or with such proceeds together with other funds, it being intended that the income and revenues from an existing housing project

or projects may be so pledged and used under this part, as well as the income and revenues from those that will be constructed or acquired under chapter 77. Any of such housing bonds may be additionally secured by a mortgage of an existing housing project or projects or of a housing project or projects that will be acquired or constructed under chapter 77.

**Sec. 77-72. Territory not liable on bonds.** Housing bonds (and such bonds and obligations shall so state on their face) shall not be a debt or a general obligation of the Territory and the Territory shall not be liable thereon, nor in any event shall they be payable out of any funds or properties other than those of the authority that are received, acquired or held under chapter 77. The bonds shall not be considered public indebtedness within the meaning of section 55 of the Organic Act, nor shall such bonds constitute an indebtedness within the meaning of any other debt limitation or restriction. Bonds may be issued under this part notwithstanding any debt or other limitation prescribed by any statute.

**Sec. 77-73. Resolutions of issuance.** Housing bonds shall be issued in accordance with a resolution or resolutions adopted by a majority vote of the commissioners of the authority directing the issuance thereof. Any such resolution or resolutions shall take effect immediately upon the adoption thereof by the authority.

**Sec. 77-74. Revenues pledged.** (a) The principal and interest of housing bonds shall be payable from the income and revenues of the authority, including rents, fees and other charges, received by the authority from the housing project or projects that are specified in the resolution of issuance whether or not such housing project or projects are existing or will be acquired or constructed with the proceeds of such bonds. The resolution of issuance shall specify the housing project or projects that have been acquired or constructed by the authority under chapter 77, or will be thereafter acquired or constructed by the authority under chapter 77 from the proceeds from the sale of the housing bonds, the income and revenues of which are pledged to the payment of the principal and interest of the bonds authorized to be issued and sold by the resolution of issuance.

(b) To the extent required by any resolution of issuance, all income and revenues from such housing project or projects so specified in the resolution of issuance are hereby irrevocably pledged to the payment of the housing bonds issued under such resolution and of the interest thereon. This pledge shall take effect upon the first date of issuance of any such housing bonds, and so long as any such bonds are outstanding, shall continue to apply to such income and revenues. The legislature of the Territory hereby pledges itself to keep all of such income and revenues segregated from all other income, revenues and other funds so that such income and revenues shall not be commingled with any other income, revenues or funds, so long as any housing bonds secured by such income and revenues are issued and outstanding. The principal of such housing bonds and the interest thereon and any reserve or sinking funds created under the resolution of issuance shall constitute a paramount charge on all income and revenues of the authority, including rents, fees and other charges, received by the authority from the housing project or projects that are so specified in the resolution of issuance. Such

resolution of issuance may also provide for the allocation of surplus revenues to the payment of maintenance and operating charges, repairs, additions, betterments, equipment, improvements, insurance, restoration in case of damage or destruction, or any other lawful purpose of the authority. Such resolution of issuance may also provide such other terms, pledges, covenants and conditions as the authority may deem advisable in order to secure housing bonds, or in the absolute discretion of the authority tend to make the bonds more marketable, including (1) provisions as to what other, or additional debts may be incurred by it, (2) provisions as to the rents and fees to be charged and the amount to be raised each year or other period of time by rents, fees and other revenues, (3) provisions as to the use of any of its property, real or personal, and (4) provisions as to the maintenance and repair of its property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys. The legislature of the Territory hereby further pledges itself that the authority shall continue to charge and collect rents, fees and other charges from tenants or other occupants of the housing project or projects specified in the resolution of issuance in amounts at least sufficient to provide, as the resolution of issuance may require, for the payment of the principal of the housing bonds authorized by such resolution and the interest thereon, and for such reserve funds and sinking funds as may be provided in such resolution.

(c) A resolution of issuance shall provide for the establishment of such interest funds, bond reserve funds, sinking funds and other funds as the commission may determine to be necessary or appropriate to provide for the payment, when due, of the principal of housing bonds and of the interest thereon. From the funds of the authority received under chapter 77 there shall be paid or transferred to such funds such amounts, within the limits hereinafter stated, as are required by the resolutions of issuance. With respect to any serial bonds issued, a resolution of issuance may require that there be paid or transferred to such funds each year any amount therein designated not exceeding an amount sufficient to increase the balances of such funds to a total equal to the amount required for the payment of the principal of such serial bonds authorized by such resolution and then outstanding, and the interest thereon, which will become payable in the current year and in the next two succeeding years. With respect to any term bonds issued, a resolution of issuance may require that there be paid or transferred to such funds each year any amount therein designated not exceeding the sum of (1) the interest on such term bonds then outstanding which will become payable in the current year and in the next succeeding calendar year; and (2) 125 per cent of the quotient obtained by dividing the aggregate principal amount of all such term bonds authorized by such resolution by the number of years of the term thereof. Any such resolution may, however, provide with respect to either serial bonds or term bonds that the authority shall set aside or transfer to such funds as may be designated in the resolution not more than two times the annual interest, principal, sinking fund and reserve fund requirements of the bonds authorized to be issued pursuant to such resolution and that any excess over the amount of annual debt service requirements shall be applied to the redemption of the bonds or to provide for any lawful purpose of

the authority as may be permitted by the resolution of issuance. Nevertheless, no such resolution of issuance shall require that any amounts be paid or set aside at any time after there have been set aside amounts sufficient to pay the aggregate principal amount of all bonds outstanding and the total amount of interest on all such bonds that is or will become payable.

**Sec. 77-75. Additional security.** Housing bonds may be additionally secured by a mortgage of any existing housing project or projects that have, at any time, been acquired or constructed under chapter 77, or that will be thereafter acquired or constructed under chapter 77. The resolution of issuance shall specify such housing project or projects that will be or have been mortgaged to secure the payment of the housing bonds authorized by such resolution of issuance. Such mortgages may contain such terms, covenants and conditions as the authority may deem advisable in order to secure housing bonds, or in the absolute discretion of the authority tend to make the bonds more marketable.

**Sec. 77-76. Extension of powers.** In connection with housing bonds, any resolution of issuance, the issuance and sale of such housing bonds and to secure payment of such housing bonds, the authority, in addition to its other powers, shall have all of the rights, powers, privileges and immunities that such authority has under section 74-30 of chapter 74, in the same manner and to the same extent as though all the provisions thereof were expressly set forth in this part and were applicable to (1) housing bonds, (2) housing projects acquired or constructed by the authority under chapter 77, (3) mortgages, (4) the issuance and sale of housing bonds, and (5) the securing of payment of housing bonds.

**Sec. 77-77. Bonds not a general obligation of the Territory.** Each housing bond shall distinctly state that it is not a general obligation of the Territory, but is payable in the manner provided in this part and in the resolution of issuance. No holder of any housing bond shall ever have the right to compel any exercise of the taxing power of the Territory to pay either the principal of any housing bond or the interest thereon.

**Sec. 77-78. Form, terms and issuance of bonds.** (a) Housing bonds shall bear interest at such rate or rates not exceeding 6 per cent per annum, payable semiannually, may be term or serial bonds, may be callable at the option of the authority, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may be payable in such medium of payment, at such place or places, may carry such registration privileges, may have such rank or priority, may be subject to such terms of redemption (with or without premium), may be executed in such manner, may contain such terms, covenants and conditions, may be in such denomination or denominations, and may be in such form, either coupon or registered, as the resolution of issuance may provide, subject to the provisions of this part. A resolution of issuance may also provide for the refunding of any bonds issued thereunder and for the issuance of refunding bonds subject to the provisions of this part except that refunding bonds may mature within 40 years from the date of such bonds or any series thereof.

(b) In case any of the commissioners or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery.

(c) In any suit, action or proceedings involving the validity or enforcement of any housing bond or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a housing project or projects to be acquired or constructed under chapter 77 shall be conclusively deemed to have been issued for a housing project or projects of such character and said project or projects shall be conclusively deemed to have been planned, located and constructed in accordance with the purposes and provisions of chapter 77.

**Sec. 77-79. Sale of bonds.** Housing bonds may be sold at private sale to the United States, or any agency, instrumentality or corporation thereof, or to the employees' retirement system of the Territory, or to any political subdivision of the Territory. Unless so sold at private sale, the bonds shall be sold at public sale after notice of such sale published once, at least five days prior to such sale, in a newspaper circulating in the Territory and in a financial newspaper published in any of the cities of New York, Chicago or San Francisco.

**Sec. 77-80. Negotiability of bonds.** Housing bonds shall be fully negotiable within the meaning of and for all the purposes of chapter 197, the negotiable instruments law.

**Sec. 77-81. Deposit and use of proceeds.** (a) The proceeds from the sale of housing bonds shall be deposited in such funds of the authority as the resolution of issuance may direct, and shall be expended by the authority for the following purposes: (1) to pay interest due upon any such bonds during the first year after their date of issuance, if so authorized by the resolution of issuance; (2) for the acquisition, construction, operation or maintenance of a housing project or projects under chapter 77, including acquisition of real property and interests therein, surveys and preparation of plans and specifications; (3) for expenses incurred for engraving, printing, advertising, legal services, financial consultant's services or otherwise, with respect to the issuance of housing bonds; and (4) to pay the principal and interest of any unpaid loans or advances made by the Territory to the authority for the purpose of acquiring or constructing the housing project or projects to be financed with the proceeds of such bonds and specified in the resolution of issuance which loans or advances are chargeable to or payable by the authority, but only to the extent permitted in the resolution of issuance.

(b) The legislature of the Territory hereby agrees that such proceeds shall be deposited, held, controlled and expended as provided in this section.

**Sec. 77-82. Hawaii housing authority.** The legislature of the Territory hereby agrees to continue in existence the Hawaii housing authority, with the powers and duties set forth in chapter 77 and this part IV, or an officer or agency succeeding to the powers and duties thereof, so long as any housing bonds are outstanding. The legislature of the Territory hereby further agrees that such officer or agency shall retain the

powers and duties set forth in chapter 77 and this part so long as any of such bonds are outstanding. The legislature of the Territory hereby further agrees that it will not appropriate, and shall always permit the authority to receive, hold, control, retain and expend as its own property, subject to and under the provisions of this part, all income and revenues from all existing housing projects acquired, constructed or operated by the authority under chapter 77, or hereafter acquired, constructed or operated by the authority under chapter 77, so long as any housing bonds issued under this part are outstanding.

**Sec. 77-83. Fiscal agents, etc.** (a) The authority may employ, upon such terms and with such powers and duties as it deems advisable, agents to assist it in the preparation and sale of housing bonds, and fiscal agents for the payment of all principal and interest on, and for the transfer of, housing bonds. In connection with housing projects heretofore or hereafter acquired and constructed by the authority under chapter 77 and housing bonds or mortgages, the authority, in addition to its other powers, shall have all of the rights, powers and privileges that such authority has under section 74-14 of chapter 74, in the same manner and to the same extent as though all of the provisions thereof were expressly set forth in this part and were applicable to such housing projects, housing bonds or mortgages.

(b) The authority shall cause to be set up suitable special funds for the deposit of all funds established or authorized pursuant to this part, for the payment of all housing bonds and the interest thereon, for all other payments provided or required pursuant to this part, and for the holding of all reserves or other funds authorized to be created under this part.

**Sec. 77-84. Investment of funds.** The authority is authorized and empowered to invest any moneys held in any fund established by any resolution of issuance pursuant to this part, which in the authority's judgment are in excess of the amounts necessary for the meeting of immediate requirements, in bonds or other obligations of the United States, or, subject to any limitations contained in the resolution of issuance, in bonds of the Territory of Hawaii, or of any political or municipal corporation or subdivision of the Territory, including its own bonds issued under chapter 74 for housing for persons of low income which housing is subject to annual contributions contracts with the federal government. Income derived from such investments shall be added to and become a part of the fund out of which the investment was made, and the expenses of purchase, safekeeping, sale and redemption and all other expenses incident to such investments shall be charged to the fund out of which the investment was made.

**Sec. 77-85. Lost and destroyed bonds and coupons.** The provisions of sections 137-20 to 137-23, relating to destroyed or defaced bonds, and to lost, destroyed or stolen coupons, to the extent that they are applicable, shall apply to housing bonds.

**Sec. 77-86. Bonds exempt from taxation.** Housing bonds and the interest thereon shall be exempt from all territorial, county and municipal taxes except inheritance, transfer and estate taxes.

**Sec. 77-87. Bonds legal investments.** All public officers and bodies and political subdivisions of the Territory, all banks, savings banks,

and savings institutions, insurance companies, including building and loan or savings and loan associations, all trust companies, all executors, administrators, guardians, trustees, and all other persons and fiduciaries in the Territory who are regulated by law as to the character of their investments, may legally invest funds within their control and available for investment in housing bonds, the purpose of this section being to authorize all persons, firms, corporations, associations, political subdivisions, bodies and officers, public or private to use any funds owned or controlled by them, including (without prejudice to the generality of the foregoing language) sinking, insurance, investment, retirement, compensation and trust funds, and funds held on deposit, for the purchase of any housing bonds.

**Sec. 77-88. Non-applicable.** This part shall not be applicable (1) to the housing projects defined and specified in section 74-3 of chapter 74, (2) to any housing project (as defined in said section 74-3) that is or will be subject to section 74-34 or section 74-35 of chapter 74, or to both, or to any annual contributions contract between the authority and the federal government, and (3) to any temporary housing required to be removed, transferred or disposed of under any of the provisions of section 77-8 of chapter 77.

**Sec. 77-89. Powers in addition to other powers.** The powers conferred by this part shall be in addition and supplemental to the powers conferred upon the authority by any other law, and nothing contained herein shall be construed as limiting any other powers conferred upon the authority by any other law, including in particular chapter 74."

**SECTION 2.** Chapter 77 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By amending section 77-4 of said chapter 77 by substituting for the words "the limitations provided in", in the twenty-second line thereof, the words "any of the provisions of".

(b) By amending section 77-8 of said chapter 77 by substituting a semicolon for the period at the end of the said section and by adding thereto, after such semicolon at the end of said sentence, the following: "and, provided, further, no housing that is required to be removed, transferred or disposed of as herein provided shall be specified in any resolution of issuance adopted pursuant to part IV of this chapter, nor shall any of such housing be used as security under said part IV nor shall the income or revenues thereof be pledged or used to secure the payment of any bonds."

(c) By amending section 77-9 of said chapter 77 by substituting a semicolon for the period at the end of the said section and by adding thereto, after such semicolon at the end of said sentence, the following: "and, provided, further that if any of such housing has been specified in a resolution of issuance adopted pursuant to part IV of this chapter, or if any of such housing has become security for, or if its income or revenues have been pledged or used to secure, the payment of any bonds issued under said part IV, such housing that has been so specified or encumbered or whose income or revenues have been so pledged shall not be subject to this section and shall not become subject to nor be administered under chapter 74, so long as any of such bonds that are so secured are outstanding or such resolution is still effective."

(d) By amending section 77-10 of said chapter 77 to read as follows:

**"Sec. 77-10. Housing, tenant selection.** Subject to the following limitations and preferences, the authority shall select tenants upon the basis of those in greatest need for such housing. The authority may limit, and may obligate itself to the federal government to limit, the tenants of any housing to veterans, families of veterans, families of servicemen, persons or families displaced by the activities of a government or, when required by federal law or regulation as a term or condition of obtaining assistance from the federal government, to other classes of persons. It may also prefer, and obligate itself to the federal government to prefer, in the selection of tenants for any housing, the classes of persons mentioned in this section."

(e) By adding thereto, after section 77-10 of said chapter 77, a new section to be appropriately numbered and to read as follows:

**"Sec. . Rentals.** (a) Notwithstanding any provision of law to the contrary, the authority shall fix the rentals for dwelling accommodations and other facilities in the housing projects provided for by part I of this chapter, at such rates as will produce revenues that will be sufficient to pay all expenses of management, operation and maintenance, including the cost of insurance, a proportionate share of the administrative expenses of the authority to be fixed by it, and the costs of repairs, equipment and improvements, to the end, that such housing projects shall be and always remain self-supporting. The authority may, in its discretion, fix such rates in such amounts as will produce additional revenues (in addition to the foregoing) sufficient out of which to amortize the cost of such housing projects, including equipment, over such period or periods of time as the authority may deem advisable.

(b) Notwithstanding any provision of law to the contrary, if any such housing project or projects have been specified in any resolution of issuance adopted pursuant to part IV of this chapter, or if the income or revenues from any such project or projects have been pledged by the authority to the payment of any bonds issued under said part IV, or if any of the property of any such project or projects is security for any such bonds, the authority shall fix the rentals for dwelling accommodations and other facilities in such housing project or projects so specified or encumbered at such increased rates as will produce the revenues required by subparagraph (a) hereof and, in addition, such amounts as may be required by any of the provisions of said part IV, by any resolution of issuance adopted thereunder and by any bonds or mortgage or other security issued or given thereunder."

(f) By amending the second paragraph of section 77-12 of said chapter 77 to read as follows:

"Except as otherwise provided in part IV of this chapter or by any resolution of issuance adopted thereunder or by any bonds issued thereunder or by any security provided or furnished thereunder, all moneys received by the authority under or pursuant to the provisions of this part, including refunds, reimbursements, rentals, fees and charges received from tenants, shall be deposited in the housing revolving fund, to the extent permitted by federal law or regulation, and are hereby appropriated for the purposes of this part. Except as otherwise provided in this chapter, the housing revolving fund may be expended by the



authority for any and all of the purposes of this part, including, without prejudice to the generality of the foregoing, the acquisition, clearance and improvement of property; the construction and reconstruction of building sites; the construction, reconstruction, repair, remodeling, extension, equipment and furnishing of housing; the development and administration of housing; the payment of rentals; and administration and other expenses. The provisions of this section shall be subject to applicable federal law and regulation, to any contracts between the federal government and the Territory or the authority relating to housing subject to this part, and to the terms and conditions of contributions or other assistance from the federal government. Such provisions shall also be subject to the provisions of part IV of this chapter, to the provisions of any resolution of issuance adopted thereunder that is applicable to any housing project developed or administered under this part, to the provisions of any bonds secured, in whole or in part, by the income or revenues from any such housing project or by any such housing project, and to the terms, covenants and conditions of any other security relating to any such bonds or to any such housing project furnished under said part IV."

(g) By amending section 77-13 of said chapter 77 by inserting therein, after the section title and immediately before the first sentence thereof, a new sentence to read as follows:

"Every housing project developed after April 1, 1959, under this part shall be first approved by the governor."

(h) By amending section 77-20 of said chapter 77 to read as follows:

**"Sec. 77-20. Net revenues, disposition.** Except as otherwise provided in part IV of this chapter or by any resolution of issuance adopted, or by any bonds issued thereunder or by any security provided or furnished thereunder, all of the net revenues (after payment by the authority of all expenses of management, operation, maintenance and administration, including cost of insurance and administrative expenses of the authority, and after setting up and maintaining such reserves as the authority deems necessary for management, operation, maintenance, administration and betterments) of all housing developed from moneys appropriated by section 77-18 shall notwithstanding the provisions of sections 77-2 to 77-17 and any other territorial law, be deposited in the general fund of the Territory, to the extent permitted by the terms of any contract made after May 2, 1947, between the federal government and the Territory or the authority relating to such housing, until all moneys expended from such appropriation by the authority are so repaid into the general fund. The provisions of this section shall be subject to federal law or regulation, when applicable, to any contracts between the federal government and the Territory or the authority relating to such housing, and to the terms and conditions of contributions and other assistance from the federal government. Such provisions shall also be subject to the provisions of part IV of this chapter, to the provisions of any resolution of issuance adopted thereunder that is applicable to any housing project developed from the appropriation made by section 77-18, and to the provisions of any bonds secured, in whole or in part, by the income or revenues from any such housing project or by any such housing project."

(i) By amending section 77-33 of said chapter 77 to read as follows:

**"Sec. 77-33. Housing authority, powers, extension of powers.** Every housing project undertaken, acquired, constructed or carried out after April 1, 1959, under this part shall be first approved by the governor. If so approved, such housing project or projects shall be selected, located anywhere within the Territory, prepared, undertaken, constructed, carried out, managed and operated by the authority under the provisions of this part, and, when applicable, part IV of this chapter, and in so doing, the authority shall have all of the rights, powers, privileges and immunities that the authority has under chapters 74, 76 and 78 and any law in amendment thereof or in addition thereto, (including, without limitation to the generality of the foregoing, the power to make and execute contracts, the power of eminent domain, the power to issue bonds and other obligations and give security therefor), in the same manner and to the same extent as though all the provisions of law applicable to slum clearance and housing projects for persons of low income were applicable to the housing project or projects undertaken, acquired, constructed, operated and maintained under this part; provided, (a) that housing undertaken, acquired, constructed, operated or maintained under this part shall not be subject to any of the provisions of sections 74-34 and 74-35; (b) that the authority may make payments, in such amounts as it finds necessary or desirable, for any services, facilities, works, privileges or improvements furnished for or in connection with the housing project or projects; and (c) that every housing project undertaken under this part shall be subject to section 74-20. The authority, in addition to its other powers and without limitation to the generality of the foregoing, shall have the power, subject to the provisions of this part, chapter 78 and, if applicable, part IV of this chapter, to manage and operate the housing project or projects and to determine all policies and to make all rules and regulations for such management and operations."

(j) By amending section 77-36 of said chapter 77 to read as follows:

**"Sec. 77-36. Funds.** There is hereby appropriated for the purpose of carrying out any and all of the provisions of this part (including, without prejudice to the generality of the foregoing, the payment of the cost of the issuance of any bonds under part IV of this chapter and other preliminary expenses such as expenses for plans, surveys, appraisals and other expenses of initiating any housing project or projects authorized by this part), all sums of money which are in the future deposited in the general fund of the Territory by the authority pursuant to the provisions of section 77-20, and the authority is hereby authorized to expend such appropriations for the construction, operation and maintenance of the housing project or projects authorized by this part and for any and all other things necessary or convenient to carry out the purposes of this part."

(k) By amending section 77-37 of said chapter 77 to read as follows:

**"Sec. 77-37. Rentals.** (a) Notwithstanding any provision of law to the contrary, the authority shall fix the rentals for dwelling accommodations and other facilities in the housing project or projects provided for by this part, at such rates as will produce revenues that will be sufficient to pay all expenses of management, operation and maintenance, including the cost of insurance, a proportionate share of the adminis-

trative expenses of the authority to be fixed by it, and the costs of repairs, equipment and improvements, to the end, that such housing project or projects shall be and always remain self-supporting. The authority may, in its discretion, fix such rates in such amounts as will produce additional revenues (in addition to the foregoing) sufficient out of which to amortize the cost of such housing project or projects, including equipment, over such period or periods of time as the authority may deem advisable.

(b) Notwithstanding any provision of law to the contrary, if such housing project or projects have been specified in any resolution of issuance adopted pursuant to part IV of this chapter, or if the income or revenues from such project or projects have been pledged by the authority to the payment of any bonds issued under said part IV, or if any of the property of such project or projects is security for any such bonds, the authority shall fix the rentals for dwelling accommodations and other facilities in such housing project or projects at such increased rates as will produce the revenues required by subparagraph (a) hereof and, in addition, such amounts as may be required by any of the provisions of said part IV, by any resolution of issuance adopted thereunder and by any bonds or mortgage or other security issued or given thereunder."

(1) By amending section 77-38 of said chapter 77 by substituting a semicolon for the period at the end of the said section and by adding thereto, after such semicolon at the end of said sentence, the following: "and, provided, further, that if any such project has been specified in a resolution of issuance adopted pursuant to part IV of this chapter, or if any such project has become security for, or if its income or revenues have been pledged or used to secure the payment of any bonds issued under said part IV, such project that has been so specified or encumbered or whose income or revenues have been so pledged shall not be subject to this section and shall not become subject to nor be administered under chapter 74, so long as any of such bonds that are so secured are outstanding or such resolution is still effective."

(m) By amending section 77-39 of said chapter 77 to read as follows:

"Sec. 77-39. **Housing, tenant selection.** Subject to the following limitations and preferences, the authority shall select tenants of any housing project or projects constructed, acquired or maintained under this part, upon the basis of those in the greatest need for such housing. The authority may limit, and may obligate itself to the federal government to limit, the tenants of any housing to veterans, families of veterans, families of servicemen, persons or families displaced by government activities or, when required by federal law or regulation as a term or condition of obtaining assistance from the federal government, to other classes of persons. It may also prefer, and obligate itself to the federal government to prefer, in the selection of tenants for any housing, the classes of persons mentioned in this section."

SECTION 3. If any phrase, clause, sentence, subsection, section, provision or part of this Act, or its application to any person or circumstances, is for any reason held to be unconstitutional or invalid, the remaining portions of this Act, or the application of this Act to other persons or circumstances shall not be affected, and such remaining portions of this Act shall remain in full force and effect thereafter. The

legislature hereby declares that it would have passed this Act, and each phrase, clause, sentence, subsection, section, provision or part thereof, irrespective of the fact that any one or more of the phrases, clauses, sentences, subsections, sections, provisions or parts be declared unconstitutional or invalid.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 5, 1959.) **S.B. 780.**

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## ACT 267

An Act Relating to the Board of Commissioners of Agriculture and Forestry, Providing for the Establishment of Grades, Standards, Minimum Export Requirements and Minimum Container and Minimum Packaging Requirements for Hawaii-Grown Fresh and Processed Flowers and Foliage, Providing for Licensing of Commercial Exporters of Flowers and Foliage, Providing Penalties, and Making an Appropriation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 22-20 to and including 22-25 of Chapter 22, Revised Laws of Hawaii 1955, as amended, are hereby amended by deleting therefrom in all instances references to flowers and foliage.

SECTION 2. There is hereby added to the Revised Laws of Hawaii 1955, as amended, the following new sections to be designated and to read as follows:

"SECTION 22-26.1. **Purpose.** The shipment of Hawaii-grown fresh or processed flowers and foliage to points outside the Territory is hereby declared to be affected with a public interest.

It is further declared to be the policy of this Territory to aid flower and foliage producers and shippers by preventing the export of inferior quality Hawaii-grown fresh or processed flowers and foliage to points outside the Territory and the use of inferior containers or packaging materials and inferior methods of packaging for such shipments.

The provisions of this Act are enacted in the exercise of the police powers of the Territory for the purpose of protecting and developing export markets for Hawaii-grown flowers and foliage.

SECTION 22-26.2. **Definitions.** For the purposes of this Act, unless otherwise required by the context:

"Board" means the board of commissioners of agriculture and forestry;

"Director" means the director of the division of entomology and marketing;

"Commercial exporter" means any person who exports or causes to be exported any fresh or processed flowers or foliage for sale or re-sale;

"Export" means shipment to any point outside the Territory of Hawaii;

"Person" means any individual, firm, corporation, partnership or association;

"Container" means package used for the export shipment;

"Packing Material" means anything used in packaging flowers or foliage for shipment other than the container;

"Method of packaging" means the manner in which flowers are placed in the container and procedures used to insure retention of desirable qualities in the flowers and foliage;

"Flowers and foliage" means cut flowers and foliage and does not include plants with roots attached.

**SECTION 22-26.3. Rules and regulations.** The board shall have the necessary powers to carry out and effectuate the purpose of this Act, including the following:

To establish, prescribe, modify or alter, by rules and regulations, which shall have the force and effect of law, grades, standards and classifications for fresh, and processed flowers and foliage and minimum requirements for fresh and processed flowers and foliage destined for shipment by commercial exporters to points outside the Territory and minimum requirements for containers, packing materials and methods of packing to be used in packaging fresh and processed flowers and foliage destined for shipment by commercial exporters to points outside the Territory.

The board in establishing such rules and regulations shall consult with appropriate Territorial and Federal agencies and with any appropriate industry or trade organization. The grades, standards, classifications, minimum requirements for flowers and foliage and requirements for containers, packing material and methods of packing shall be on the basis of what the board may deem best suited to the agricultural, horticultural, or other interests of the Territory.

**SECTION 22-26.4. Prohibited acts.** No commercial exporter shall ship any fresh or processed flowers or foliage to points outside the Territory unless such products meet the minimum export quality and condition requirements and are so packaged in containers with such packaging material and in such a manner as to meet the minimum packaging requirements established by rules and regulations promulgated under this Act.

**SECTION 22-26.5. Inspection classification fees.** The director may designate any employee or agent of the division of entomology and marketing as an inspector to classify and inspect fresh and processed flowers and foliage for quality and condition and to determine if containers, packing materials and methods of packing meet the minimum requirements established. In addition such inspector may classify and inspect flowers and foliage for quality and condition at the request of persons having a financial interest in such commodities in order to ascertain and to certify to such persons the grade, classification, quality or condition thereof and other pertinent facts. The board may fix, assess and collect or cause to be collected fees for such certification services when they are performed by the employees of the division of entomology and marketing. Such fees shall be on a uniform basis and in an amount reasonably necessary to cover the cost of inspections made at the request of person having a financial interest. All fees and expenses so collected shall be deposited in the marketing inspection and agriculture control fund. Funds collected shall be used for the administration of this Act and are hereby appropriated for that purpose.

**SECTION 22-26.6. Advisory committee on flowers and foliage.** There is hereby created an advisory committee on flowers and foliage consisting of at least six members and a chairman, the chairman to be an officer of the board, two members from the City and County of Honolulu, two members

from the County of Hawaii, one member from the County of Maui and one member from the County of Kauai. Members of the advisory committee shall be appointed by the governor in the manner prescribed by section 80 of the Hawaiian Organic Act. The board shall recommend persons to be selected as members of the advisory committee and in doing so shall consider the wishes and advice of the members of the flower and foliage industry and shall recommend persons from names submitted by persons or organizations within said industry. Members of the committee shall hold office for a period of 4 years, except that of members first appointed, 2 shall hold office for a period of 4 years, 2 shall hold office for 2 years, and 2 shall hold office for 1 year from the date of their appointment. The respective successors shall each hold office for 4 years from the respective dates of their appointments. Each member shall continue to perform his duties as a member of the advisory committee until his successor shall be duly appointed and qualified. The duties of the advisory committee shall include consultation with the director and the board with respect to procedures and regulations.

**SECTION 22-26.7. Licenses.** No person shall act as a commercial exporter without having obtained a license as provided hereunder. Every person before acting as a commercial exporter as herein defined shall file an application with the director for a license to transact the business of a commercial exporter and such application shall be accompanied by the license fee herein provided.

Such application shall in each case state the class or classes of flowers and foliage the applicant proposes to handle, the full name and address of the person or firm applying for such license, and if the applicant is a firm, exchange, association or corporation, the full name of each member of the firm, or the names of the officers of such exchange, association or corporation. Such application shall further state the principal business address of the applicant in the Territory and elsewhere and the names of the persons authorized to receive and accept service of summons and legal notices of all kinds for the applicant. Such applicant shall further satisfy the director of his or its good character, responsibility and good faith in seeking to carry on the business stated in the application.

For filing such application herein described, each applicant shall pay a license fee of \$10.00 for each year.

Should any commercial exporter refuse, fail, or neglect to apply for the renewal of a pre-existing license within thirty days after the expiration thereof, a penalty of forty percent shall apply to and be added to the original fee set forth above, and shall be paid by the applicant before the renewal license may be issued. All licenses expire one year from the date of the issuance of the license.

**SECTION 22-26.8. Duties of director; violations; proceedings; penalties.** It shall be the duty of the director to administer and enforce the provisions of this Act and any rules or regulations promulgated thereunder.

(a) Civil action. Any person who violates any provision of this Act or any rule or regulation promulgated thereunder shall be liable for damages in civil action brought by the director in the name of the Territory for a penalty in an amount not to exceed a sum of five hundred dollars for each and every violation. Any money recovered by the director under this provision shall be deposited in the marketing inspection and agriculture control fund.

(b) Nuisance may be enjoined, abated. Violation of this Act or of any regulation promulgated thereunder is declared a public nuisance and may be enjoined or abated as such by the director or the attorney general in a suit filed and prosecuted in the circuit wherein such public nuisance is committed. The several circuit courts are hereby vested with jurisdiction to prevent and restrain violation of this Act or of any regulation effected thereunder.

(c) Misdemeanor. Every person who violates any provision of this Act or of any rule or regulation promulgated thereunder shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than fifty dollars, nor more than five hundred dollars. Each day during which any of the above violations occur shall constitute a separate offense.

(d) Penalties concurrent and alternative. The penalties and remedies prescribed in this section with respect to any violation mentioned in this section shall be concurrent and alternative and neither singly nor combined shall the same be exclusive and either singly or combined the same shall be cumulative with any and all other civil, criminal or alternative rights, remedies or penalties provided or allowed by law with respect to any such violations.

**SECTION 22-26.9. Separability.** If any section, sentence, clause or part of this Act is, for any reason, held to be unconstitutional, such decision shall not affect the remaining portions of this Act. The legislature hereby declares that it would have passed this Act and each and every section, sentence, clause and parts thereof despite the fact that one or more sections, sentences, clauses or parts thereof be declared unconstitutional.

**SECTION 3.** There is hereby appropriated out of the general revenues of the Territory, not otherwise appropriated, the sum of \$12,000, or so much thereof as may be necessary, to the board of commissioners of agriculture and forestry to be used to carry out and effectuate the purposes of this Act for the biennium ending June 30, 1961. Said board shall include in its budget for subsequent fiscal periods the amounts necessary to effectuate the purposes of this Act.

**SECTION 4.** This Act shall take effect upon approval.

(Approved June 5, 1959.) **H.B. 604.**

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## ACT 268

An Act Relating to Nurses, and Amending Chapter 67 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Chapter 67 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

### "CHAPTER 67. NURSES.

**Sec. 67-1. License required for practice of nursing.** (a) In order to safeguard life and health any person practicing or offering to practice nursing in the Territory of Hawaii for compensation, shall hereafter be required to submit evidence that he or she is qualified so to practice, and shall be licensed

as hereinafter provided. After September 1, 1959, it shall be unlawful for any person not licensed under the provisions of this chapter to practice or offer to practice professional or practical nursing or to use any sign, card or device to indicate that such person is a registered professional nurse or a licensed practical nurse.

(b) Any person who holds a license to practice as a nurse issued by the board and which is valid on July 1, 1959, shall hereafter be deemed licensed as a nurse under the provisions of this chapter.

**Sec. 67-2. Definitions.** As used in this chapter:

(a) 'Board' means the Territory of Hawaii Board of Nursing.

(b) 'The practice of professional nursing' means the performance for compensation of any act in the observation, care and counsel of the ill, injured or infirm, or in the maintenance of health or prevention of illness of others, or in the supervision and teaching of other personnel or the administration of medications and treatments as prescribed by a licensed physician or dentist, requiring substantial specialized judgment and skill and based on knowledge and application of the principles of biological, physical and social sciences.

The foregoing shall not include acts of diagnosis or prescription of therapeutic or corrective measures.

(c) 'The practice of practical nursing' means the performance for compensation of selected nursing acts in the care of the ill, injured or infirm under the direction of a licensed professional nurse or a licensed physician or a licensed dentist, and not requiring the substantial, specialized skill, judgment and knowledge required in professional nursing.

(d) 'Accredited' means approved by this board.

(e) 'School' means an accredited school of professional nursing or an accredited nursing department or division of a university or college or an accredited school of practical nursing.

**Sec. 67-3. Board of nursing; appointment, qualifications, term, removal, expenses.** The governor shall appoint a board in accordance with the provisions of section 80 of the Hawaiian Organic Act. The board shall consist of five members who shall serve for a term of four years. Members of the board appointed prior to the enactment of this chapter shall serve as members of the board until the expiration of their respective terms or until their successors have been appointed. No member shall be appointed to more than two full consecutive terms.

Before July 1 of each year and at any time there is a vacancy to be filled, the nurses association of the Territory of Hawaii shall submit to the governor a recommended list of its membership qualified for appointment to the board in the number not less than twice the number of vacancies to be filled.

Each member of the board shall be a citizen of the United States and a resident of this Territory for three years immediately preceding his appointment, and shall file with the secretary of the Territory of Hawaii the constitutional oath of office before beginning his term.

Each member of the board shall possess these additional qualifications:

(a) Graduate of a territory or state accredited educational program for the preparation of practitioners of professional nursing;



(b) Graduate of a recognized college, preferably with a major in the field of nursing education;

(c) Licensed professional nurse in the Territory;

(d) At least five years successful experience in nursing three of which shall have been in nursing administration, or in supervision or teaching in a school of nursing or a public health agency;

(e) Actively engaged in the field of nursing for at least three years immediately preceding his appointment or reappointment.

The governor may remove any member from the board for neglect of any duty required by law or for incompetency or unprofessional or dishonorable conduct pursuant to the provisions of section 80 of the Organic Act.

Members of the board shall serve without compensation except that board members shall be paid actual expenses in areas other than the island of their residence.

**Sec. 67-4. Powers and duties.** The board shall meet annually in the month of July and shall elect from its members a chairman and a secretary. It may hold such other meetings during the year as may be deemed necessary to transact its business. A majority of the board shall constitute a quorum at any meeting.

The board shall have the power to:

(a) Adopt and from time to time revise such rules and regulations not inconsistent with law as may be necessary to enable it to carry into effect the provisions of this chapter;

(b) Prescribe curricula and standards for educational programs preparing persons for licensure under this chapter;

(c) Provide for surveys of such programs at such time as it may deem necessary;

(d) Accredite such programs as meet the requirements of this chapter and of this board;

(e) Deny or withdraw accreditation from educational programs for failure to meet prescribed curricula or other standards;

(f) Examine, license and renew the licenses of duly qualified applicants;

(g) Prosecute all persons who violate the provisions of this chapter, and have the power to incur such necessary expenses therefor;

(h) Conduct hearings upon charges calling for discipline of a licensee and suspension or revocation of a license;

(i) Issue subpoenas to compel the attendance of witnesses and the production of documentary evidence or the production of any books, papers, or records called for by the process of the board. If any person subpoenaed as a witness fails or refuses to respond thereto, or refuses to answer questions propounded by any member of the board material to the matter pending before the board, it shall be the duty of any circuit judge, on application by the board or any member thereof, to compel obedience to any process of the board and to require any witness to answer questions put to him, and to punish for contempt any disobedience of its order unless good cause is shown therefor. If any person wilfully testifies falsely under oath before the board or wilfully makes false affidavit in any proceeding before the board, such person shall be guilty of perjury and subject to its penalties;

(j) Keep a record of all its proceedings;

(k) Make an annual report to the governor;

(1) Appoint and employ a professional nurse to serve as executive officer of the board, who possesses qualifications equal to those required of board members; the executive officer shall not be a member of the board;

(m) Define the qualifications and duties and fix the compensation of the executive officer;

(n) Employ, fix the compensation and define the duties of, and discharge other such persons as may be necessary.

**Sec. 67-5. Qualifications of applicants for professional nursing license.**

An applicant for a license to practice professional nursing shall submit to the board written evidence of:

(a) Good moral character and good physical and mental health;

(b) Completion of the prescribed curriculum in a territory or state accredited school of professional nursing;

(c) Such other qualifications and compliance with such other requirements as the board may prescribe by rules or regulations.

**Sec. 67-6. License by examination to practice professional nursing.**

An applicant shall be required to pass such written examination as the board may determine. Upon successfully passing such examination, the board shall issue to the applicant a license to practice nursing as a registered professional nurse.

The re-examination of the applicant who fails to pass such written examination shall be in accordance with the rules of the board.

**Sec. 67-7. License by endorsement to practice professional nursing.**

The board may issue a license by endorsement to practice nursing as a registered professional nurse to an applicant who has been duly licensed as a registered professional nurse under the laws of another state, territory or foreign country, if, in the opinion of the board, the applicant has met the qualifications required of professional nurses in the Territory of Hawaii at the time of the applicant's graduation.

**Sec. 67-8. Fees.** An applicant for a license to practice as a registered professional nurse by examination or by endorsement shall pay a fee of \$20 to the board. A fee of \$5 is required for each reexamination.

Application fees are not refundable.

**Sec. 67-9. Professional nursing title.** Any person licensed under the provisions of this chapter to practice professional nursing shall have the right to use the title 'Registered Nurse' and the abbreviation 'R. N.'. No other person shall assume such title or use such abbreviation or any other words, letters, signs, or devices to indicate that the person using the same is a registered professional nurse.

**Sec. 67-10. Licensing of practical nurses.** An applicant for a license to practice as a licensed practical nurse shall submit to the board evidence of:

(a) Good moral character and good physical and mental health;

(b) Completion of two years of high school or its equivalent as determined by the board and such other preliminary qualifications as the board may prescribe;

(c) Completion of a prescribed program for the preparation of practical nurses or a period of study in an accredited professional school of nursing considered by the board to be the equivalent of an approved course of study in practical nursing; such equivalency shall be defined by the board rule.

(d) Such other qualifications and compliance with such other requirements as the board may prescribe by rules or regulations.

**Sec. 67-11. License by examination to practice practical nursing.** The applicant shall be required to pass such written examinations as the board may prescribe. Upon successfully passing such examination, the board shall issue to the applicant a license to practice nursing as a licensed practical nurse.

The reexamination of the applicant who fails to pass such written examination shall be in accordance with the rules of the board.

**Sec. 67-12. License by endorsement to practice practical nursing.** The board may issue a license by endorsement to practice as a licensed practical nurse to any applicant who has been duly licensed or registered as a licensed practical nurse or a person entitled to perform similar services under a different title, under the laws of another state, territory or a foreign country, if, in the opinion of the board, the applicant has met the requirements for licensed practical nurses in the Territory of Hawaii at the time of the applicant's graduation.

**Sec. 67-13. Limited practical nursing license.** The board shall have power, in the absence and shortage of qualified practical nurses, to waive any requirement established by this chapter, and to issue limited licenses. Such limited licenses may be renewed according to rules prescribed by the board.

Any person holding a special temporary license which is valid on July 1, 1959 shall be issued a limited license subject to these provisions.

**Sec. 67-14. Fees for licensing of practical nurses.** An applicant for a license to practice as a licensed practical nurse by examination or by endorsement shall pay a fee of \$10 to the board. A fee of \$3 shall be paid for each reexamination.

The applicant applying for a limited license shall pay a fee of \$10 to the board.

Application fees are not refundable.

**Sec. 67-15. Practical nursing title.** Any person licensed under the provisions of this chapter as a licensed practical nurse shall have the right to use the title 'Licensed Practical Nurse' and the abbreviation 'L. P. N.'. No other person shall assume such title or use such abbreviation or any other words, letters, signs or devices to indicate that the person using the same is a licensed practical nurse.

**Sec. 67-16. Renewal of licenses.** The license of every person engaged in nursing in the Territory of Hawaii under the provisions of this chapter shall be valid for the period July 1 through June 30, and shall be renewed annually. The applicant shall file an application with a renewal fee of \$2 on or before June 30 of each year.

Licenses which are not so renewed by July 1 are subject to penalty of \$5, unless prior to July 1 the holder notifies the board in writing of intent not to practice nursing in the Territory of Hawaii. Any such inactive license may be reinstated upon application to and approval by the board and payment of the current renewal fee.

**Sec. 67-17. Disposition of funds.** All fees received by the board and moneys collected under this chapter shall be deposited in the special fund

of the Territory. Expenses of the board and its members shall be paid from the fees received by the board under this chapter. Funds remaining in the special fund to the credit of the board for the licensing of nurses shall be continued for use by the board of nursing.

**Sec. 67-18. Grounds for disciplinary action.** The board shall have power to deny, revoke, or suspend any license to practice nursing issued by the board or applied for in accordance with the provisions of this chapter, or to otherwise discipline a licensee upon proof that the person:

- (a) Is guilty of fraud or deceit in procuring or attempting to procure a license to practice nursing; or
- (b) Is guilty of gross immorality or of a crime involving moral turpitude; or
- (c) Is unfit or incompetent by reason of gross negligence, or a communicable disease which endangers others; or
- (d) Is habitually intemperate or is addicted to the use of habit-forming drugs; or
- (e) Is mentally incompetent; or
- (f) Is guilty of professional misconduct; or
- (g) Has wilfully or repeatedly violated any of the provisions of this chapter.

**Sec. 67-19. Disciplinary proceedings; appeal to circuit court.** Upon either the receipt of a written complaint charging a person with having been guilty of any of the actions specified as grounds for disciplinary action or where such is indicated by board investigation, the executive officer of the board shall fix a time and place for a hearing and shall cause a copy of the charges, together with a notice of the time and place fixed for the hearing, to be served on the accused at least ten days prior thereto. When personal service cannot be effected and such fact is certified on oath by any person duly authorized to make legal service, the executive officer of the board shall cause to be published, twice in each of two successive weeks, a notice of the hearing in a newspaper published in the county in which the accused last practiced according to the records of the board and shall mail a copy to the accused at his or her last known address. When publication of the notice is necessary, the date of the hearing shall be not less than ten days after the last date of the notice. The attendance of witnesses, and the production of books, papers, and documents at the hearing may be compelled by subpoenas issued by the board, and served in accordance with law. At the hearing the accused shall have the right to appear either personally or by counsel, or both, to produce witnesses or evidence on his own behalf, to cross-examine witnesses and to have subpoenas issued by the board. If the accused is found guilty of the charges the board may refuse to issue a license to the applicant or may revoke or suspend the license or otherwise discipline a licensee. A revoked or suspended license may be reissued at the discretion of the board.

Decisions of the board may be appealed to the circuit court of the person's residence.

**Sec. 67-20. Application for accreditation of nursing education program.** An institution desiring to conduct a nursing education program for the preparation of professional or practical nurses shall apply to the board and submit evidence that:

- (a) It is prepared to carry out the prescribed professional curriculum or the prescribed curriculum for practical nursing, as the case may be; and
- (b) It is prepared to meet such other standards as shall be established by law and by the board.

**Sec. 67-21. Accreditation.** A survey of the institution and its entire nursing education program shall be made by the executive officer or other authorized employee of the board, who shall submit a written report of the survey to the board. If, in the opinion of the board, the requirements for an accredited nursing education program are met, it shall be accredited as a nursing program for professional or practical nurses.

**Sec. 67-22. Survey of accredited program; withdrawal of accreditation.** From time to time as deemed necessary by the board, it shall be the duty of the board, through its executive officer or other authorized representative of the board, to survey all nursing education programs in the Territory of Hawaii. Written reports of such surveys shall be submitted to the board. If the board determines that any accredited nursing education program is not maintaining the standards required by law and by the board, notice thereof in writing specifying the defect or defects shall be immediately given to the institution conducting the program.

A program which fails to correct these conditions to the satisfaction of the board within a reasonable time shall be removed after a hearing from the list of accredited schools of professional or practical nursing.

**Sec. 67-23. Exceptions.** This chapter does not prohibit:

- (a) The furnishing of nursing assistance in an emergency, as defined by the board;
- (b) The practice of nursing which is incidental to the program of study by a student enrolled in a nursing education program accredited by the board;
- (c) The practice of any legally qualified nurse of another state who is employed by the United States government or any bureau, division or agency thereof, while in the discharge of his official duties;
- (d) The practice of nursing by permit pending the results of licensing examination by graduates of schools whose accreditation is recognized by this board, providing such candidates shall enter the first licensing examination scheduled by the board following such graduation;
- (e) The practice of nursing by permit by a person whose application for a license by endorsement is complete except for the endorsement of the original licensing jurisdiction and who has submitted evidence of an unexpired registration in another state or territory, or unexpired registration in another country with standards of nursing education which are recognized by the board and who has paid the license fee.

**Sec. 67-24. Violations; penalties.** It shall be unlawful for any person (including any corporation, association or individual) to:

- (a) Sell or fraudulently obtain or furnish any nursing diploma, license, renewal or record; or aid or abet therein; or
- (b) Practice nursing as defined by this chapter under cover of any diploma, license, or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation; or
- (c) Practice nursing as defined by this chapter unless duly licensed to do so under the provisions of this chapter; or
- (d) Use in connection with his or her name any designation tending to imply that he or she is a licensed professional nurse or a licensed prac-

tical nurse unless duly licensed so to practice under the provisions of this chapter; or

(e) Practice professional or practical nursing during the time his license issued under the provisions of this chapter shall be suspended, revoked, or shall have expired; or

(f) Conduct a nursing education program for the preparation of professional or practical nurses unless the program has been accredited by the board; or

(g) Otherwise violate any provisions of this chapter.

Any person who violates this section shall be fined not more than \$500 for a first offense. For each subsequent offense he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

**Sec. 67-25. Injunctive relief.** The practice of nursing by any person who has not been issued a license under the provisions of this chapter, or whose license has been suspended or revoked, or has expired, is hereby declared to be inimical to the public and to constitute a public nuisance. The board of nursing may, in the name of the people of the Territory of Hawaii through the attorney general of the Territory of Hawaii apply for an injunction in any court of competent jurisdiction to enjoin any person who has not been issued a license or whose license has been suspended or revoked or has expired from practicing nursing; and, upon the filing of a verified petition in such court, the court or any judge thereof, if satisfied by affidavit, or otherwise, that such person is or has been practicing nursing without having been issued a license, or after his license has been suspended or revoked or has expired may issue a temporary injunction, without notice or bond, enjoining the defendant from further practicing nursing. A copy of the verified complaint shall be served upon the defendant and the proceedings shall thereafter be conducted as in other civil cases. If it is established that the defendant has been, or is practicing nursing without having been issued a license or has been or is practicing nursing after his license has been suspended or revoked or has expired, the court, or any judge thereof may enter a decree enjoining the defendant from further practicing nursing. In case of violation of any injunction issued under the provisions of this section, the court may summarily try and punish the offender for contempt of court. Such injunction proceeding shall be in addition to, and not in lieu of, all penalties and other remedies provided in this chapter.

**Sec. 67-26. Severability.** If any provision of this chapter, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this chapter or the application of such provision or persons or circumstances, other than those to which it is held invalid, shall not be affected thereby."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 5, 1959.) **H.B. 151.**

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## ACT 269

An Act Authorizing the Subdivision, Improvement and Leasing of Public Lands for Residential Purposes to Qualified Persons Selected by Drawing Without Public Auction; Creating the Residential Lease Ad-

visory Commission and Providing for Its Powers, Duties and Functions; and Amending Inconsistent Laws.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1. Findings and declaration of necessity.** It is hereby found and declared that:

(a) There is a shortage in the Territory of land suitable for residential use and available to persons whose incomes and circumstances are such that they do not qualify for or do not require publicly provided low-rent housing accommodations and who are able to secure financing for the construction of their own homes, but who are unable through lack of sufficient financial ability to purchase land in fee simple or to pay the premiums for and rentals under leaseholds offered for sale by private landowners.

(b) This group includes persons whose residential property has been taken for public purposes and who, while they have received the full and fair value of their property, by purchase or condemnation, are unable to replace the property taken with the proceeds paid or other available funds because of the shortage of similar property in the community.

(c) This situation has prevented many citizens of the Territory from improving their standards of living in accordance with their means and has forced many into residential property purchase or lease contracts beyond their means.

(d) This situation has also forced many citizens of the Territory into private or publicly provided low-rent housing facilities with the result that the purposes for which public low-rent housing facilities are provided have been injuriously affected and with the further result that both urban redevelopment and urban renewal projects have been not only impeded but also become more urgently required.

(e) Experience has demonstrated that when public lands are subdivided and sold in fee simple at public auction, for residential use, the demand for residence property has forced the price of such lands beyond the financial reach of the persons previously mentioned, and that neither the program of opening public lands for sale in fee simple as residence lots, nor the programs for providing low-rent public housing, for urban redevelopment or for urban renewal are adequate or designed to provide the opportunity for such persons to provide themselves with the decent, safe, sanitary and uncongested residence accommodations consistent with their financial ability and necessary to provide the environment conducive to promoting their own and their children's good citizenship.

(f) To alleviate this shortage of land suitable for residential use, to promote the accomplishment of the purposes of the programs for public low-rent housing, urban redevelopment and urban renewal, including the elimination of slum and other conditions detrimental to the public health, safety and welfare, it is necessary that public lands be made available on terms within the financial means of those citizens who, because of the shortage before mentioned, are unable to purchase public or private lands in fee simple or to lease private lands for use for residential purposes. Making public lands available for such pur-

poses, pursuant to the provisions of this act, is hereby declared to be a public purpose.

**SECTION 2. Definitions.** In this act, if not inconsistent with the context,

“Commissioner” means the Commissioner of Public Lands of the Territory of Hawaii;

“Governor” means the Governor of the Territory of Hawaii;

“Land Board” means the Board of Public Lands, as provided in subsection (1) of section 73 of the Hawaiian Organic Act;

“Advisory Commission” means the Residential Lease Advisory Commission created in section 12 of this Act;

“Residential lease” or “lease” means a residential lease made by the Commissioner under the provisions of this Act;

“Lessee” means the lessee under a residential lease and the successors in interest of the lessee;

“Person” means one or more individuals and does not include any partnership, firm or corporation;

“Public lands” means the lands defined as public lands in subsection (a) (3) of Section 73 of the Hawaiian Organic Act;

“Appraisers” means one or more, but not more than three, real estate appraisers to be appointed by the Governor.

**SECTION 3. Subdivision, improvement and lease of public lands.** Any public lands suitable for residential use, and so located as to be suitable for the general type of residential construction anticipated by the Commissioner to be constructed thereupon under residential leases made pursuant to this Act, subject to compliance with county zoning and subdivision requirements, may be opened, subdivided into lots of not less than 5,000 square feet and not more than 12,000 square feet, and improved with roads, sewers, street lighting, utility connections and any other improvements which may be necessary or desirable in the discretion of the Commissioner, and leased by the Commissioner under residential leases, without public notice or advertising other than as required by this Act and without public bidding, to persons qualified under the terms of this Act.

**SECTION 4. Term, rent and other conditions of residential leases.** Residential leases made by the Commissioner may be for periods of not more than 65 years and may contain such terms and conditions as the Commissioner may in his discretion determine, except that the following shall in any event be complied with in each residential lease:

(a) **Rent and taxes.** The annual rent shall be not less than an amount representing a fair return on the value of the premises at the inception of each rental period under the lease, which value shall be determined by appraisers. The lessee shall pay all real property taxes, assessments and charges made against or levied upon the premises. “Value of the premises” as used in this section shall mean the fair market value of the land leased less the pro-rata portion, attributable to the land leased, of the costs of roads, sewers, street lighting, utilities and other subdivision improvements of the tract in which the land leased is located. The pro-rata portion of such costs attributable to each lot in the tract shall be determined by the Commissioner in such manner



that the aggregate of such portions shall be equal to the total cost of such improvements.

(b) **Construction of residence.** Each residential lease shall contain requirements that the lessee construct a residence upon the premises, pursuant to plans and specifications approved by the Commissioner and using a licensed contractor approved by the Commissioner, within such time and having such minimum value or ground floor area as may be determined by the Commissioner in his discretion.

(c) **Use.** The lessee, following the completion of improvements upon the premises, shall use and occupy the premises as his residence and shall not rent or use for any business purposes the whole or any part of the premises except with the written consent of the Commissioner.

(d) **Alienation.** Each residential lease shall contain conditions prohibiting the lessee from subletting or parting with the possession of the whole or any part of the premises and from selling, assigning, transferring or otherwise disposing of or encumbering, except by way of mortgage as hereinafter permitted, any interest in the lease or any improvements erected on the premises except with the written consent of the Commissioner.

(e) **Right of purchase.** Each residential lease shall also state that no right or privilege of purchasing the fee title to the land demised shall be created by the lease, except as provided in section 11 of this Act, notwithstanding any other provision of the law to the contrary.

(f) **Construction and purchase money mortgages.** Each residential lease shall provide that the lessee may mortgage the lease and improvements only for the purpose of financing the construction of a residence upon the premises or, after the requirement of construction of a residence upon the premises has been fulfilled, for the purpose of financing the purchase of the lease and improvements. Such mortgages shall be made only to recognized lending institutions and may provide for foreclosure and sale at such foreclosure to any purchaser, without regard to whether the purchaser at the sale is qualified or disqualified to take a residential lease under this act. The mortgagee's interest in any such mortgage shall be freely assignable.

**SECTION 5. Qualifications of lessees.** In order to be qualified to take a residential lease under this Act a lessee must:

(a) Be of legal age and have at least one person who will occupy the premises with him and who is related to him by blood or marriage solely dependent upon him for support; provided, however, that this requirement shall not preclude a husband and wife, jointly, from qualifying as a lessee even if both are employed.

(b) Be a citizen of the United States or have declared his intention to become a citizen of the United States as required by law, and have been a resident of the Territory of Hawaii for not less than five years immediately preceding the issuance of a lease.

(c) Have a gross income not in excess of \$6,000 per annum, including the gross income of his spouse. In determining gross income, however, a \$100 exemption for each of his minor dependents shall be allowed.

(d) Have such other qualifications as may be established in accordance with section 12 of this Act by joint action of the Residential Lease Advisory Commission and the Commissioner.

**SECTION 6. Persons disqualified to take residential leases.** No person shall be qualified to take a residential lease under this Act who, or whose husband or wife, has previously taken from or held under the Territory of Hawaii any certificate of occupation, right of purchase lease, cash freehold agreement, special homestead agreement or homestead lease, or patent based on any of the foregoing, or residential lease or patent or deed of any residential leasehold under this Act, or who or whose husband or wife, or both of them, owns other land in the Territory suitable for residential use or, whether so suitable or not, the value of which exceeds the value of the residence lot applied for, or who or whose husband or wife is the lessee under a lease having an unexpired term of more than five (5) years of other land in the Territory suitable for residential use, or who is an alien, unless he has declared his intention to become a citizen of the United States as provided by law. No person who has so declared his intention and who takes a residential lease shall continue to hold such lease unless he becomes a citizen within five years after taking such lease.

**SECTION 7. Preference right to residential lease.** Any person otherwise qualified to take a residential lease shall have preference in any drawing to determine the persons to whom residential leases shall be made if such person has within a period of not longer than five (5) years prior to the filing of his application for a residential lease been an owner in possession, or lessee in possession having an unexpired lease term of more than one (1) year, of residential premises which were taken by any governmental authority for any public purposes and who was required to surrender possession by reason of such taking.

**SECTION 8. Holding residential lease.** Any person who, after taking a residential lease, through change of circumstances loses the qualifications initially required of him or becomes disqualified to take a residential lease, shall not thereby be required to surrender his residential lease, but shall be entitled to continue to hold the same. This section shall not, however, be construed to authorize an alien who has failed to become a citizen within five years after taking a lease to continue to hold the lease.

**SECTION 9. Transfers of title by devise, inheritance, operation of law, and upon and after foreclosure.** Notwithstanding the prohibitions contained in section 4(d) of this act, title to a residential lease or to the fee of the premises if purchased by the lessee, and to the improvements upon the premises, may be transferred by testamentary devise, intestate succession or otherwise by operation of law. A person, or any corporation or agency of government, not qualified or disqualified under sections 5 and 6 of this act to take a residential lease may succeed to and take title to a residential lease and improvements only by any such transfer or by purchasing at or after a sale upon a foreclosure of a mortgage permitted by this act, and in no other manner. During the ten-year period following the issuance to the lessee of a patent or deed granting or conveying the fee of the leasehold premises, in those instances where the lessee has purchased the fee, a person, or any corporation or agency of government, not qualified or disqualified under sections 5 and 6 of this act to take a residential lease may not, without the express written consent of the Commissioner, succeed to and take the fee title to the

premises formerly leased, and improvements, except by testamentary devise, intestate succession, or otherwise by operation of law or by purchasing at or after a sale upon the foreclosure of a mortgage permitted by this act.

**SECTION 10. Notice; drawing.** When any residential lease is to be made, the Commissioner shall publish notice of that fact, with such details concerning the same and applications for the same as he shall deem necessary or desirable, at least once in a newspaper of general circulation in the county in which the lot to be leased is located, not less than thirty days prior to the date set by the Commissioner for the drawing for the lease. The person entitled to the lease shall be determined by drawing from among those persons found to be qualified to take a residential lease who have applied for such lease and who have submitted evidence satisfactory to the Commissioner of the fact that recognized lending institutions have issued to them commitments, which are still in force, to finance the construction of a residence upon the premises. Only those of the foregoing persons who are entitled to preference shall be permitted to participate in the drawing and one of them shall be entitled to the lease of the lot offered, or they shall have their choice among the lots offered if more than one is offered, according to the numbers drawn by them, until all of them have chosen a lot. Those of the foregoing persons who are not entitled to preference shall thereafter be permitted to participate in the drawing and to choose the remaining lot or among the remaining lots according to the numbers drawn by them. Any lease referred to in the published notice which is not taken upon such drawing may thereafter be leased to any qualified applicant for a residential lease having a commitment, which is still in force, from a recognized lending institution to finance the construction of a residence upon the premises, notwithstanding such person was not an applicant at the date of the drawing, without further publication of notice and without further drawing, if such lease is made within one year of the date of the drawing of which notice was published.

**SECTION 11. Purchase of fee title by lessee.** At any time after the requirement of construction of a residence upon the premises has been fulfilled and after ten years from the date of issuance of his residential lease any residential lessee who through improvement in economic circumstances is financially able to purchase the fee title to the premises demised by his residential lease may, if not in default under the terms of his lease, purchase said fee title for the fair market value thereof. The fair market value shall be determined by appraisers, shall exclude the value of improvements erected by the lessee and shall be determined as if the premises were not subject to the residential lease or to any mortgage made by the lessee. The patent or deed issued upon such purchase being effected shall, however, contain a prohibition against any sale, lease or other transfer of the land or any interest therein to any person not qualified or disqualified under sections 5 and 6 of this act to take a residential lease, except by way of purchase money mortgage, which mortgage may be freely assigned by the mortgagee and the fee title sold to any person or corporation or agency of government at or after foreclosure, during the ten year period following the date of is-

suance of the patent or deed except upon the express written consent of the Commissioner.

**SECTION 12. Residential Lease Advisory Commission.** There shall be a Commission to be known as the "Residential Lease Advisory Commission," whose members shall serve without pay. The Advisory Commission shall consist of the Director of the Hawaii Housing Authority, the Superintendent of Public Works or a member of his staff designated by him, the Chairman of the Board of Public Lands, and three additional members, of which not more than two of said additional members shall be of the same political party. The additional members shall be appointed and may be removed by the Governor in the manner provided by section 80 of the Hawaiian Organic Act. The additional members shall be appointed for terms of three years, provided, however, that of the three initially appointed, one each shall be appointed for terms of one year, two years and three years. Any member appointed to fill a vacancy shall serve for the unexpired term of his predecessor. The Advisory Commission shall select its own chairman. The Advisory Commission acting jointly with the Commissioner shall establish and may revise from time to time other qualifications to be met by persons to take a residential lease under this Act, shall review the applications of persons seeking to establish their qualifications and to take residential leases under this Act, and shall consult with, advise and assist the Commissioner in formulating and administering plans for the subdivision, improvement and leasing of public lands under this Act and generally in effecting the purposes of this Act.

**SECTION 13. Cancellation of leases.** Whenever the Commissioner has reason to believe that any term or condition of a residential lease has been violated or that an alien lessee has failed to become a citizen within five years after taking the lease, he shall give notice to and afford the lessee an opportunity for hearing. If upon such hearing the Commissioner finds that the lessee has violated the terms and conditions of the lease or failed to become a citizen within five years, he may declare the lessee's interest in the lease and improvements forfeited and order the premises to be vacated within a reasonable time. No such forfeiture shall operate to forfeit the interest of any mortgagee in the lease and improvements, however, and the Commissioner shall pay from the Residential Lease Revolving Fund the amount due upon and secured by such mortgage; provided, however, that such payment need not be made if a new lease of the premises and improvements is made to a new lessee who is willing to assume, and if the mortgagee is willing to accept the new lessee's assumption of, the mortgage and the debt secured thereby.

**SECTION 14. Surrender of lease.** If at any time the lessee desires to surrender his lease and improvements, the Commissioner is authorized to accept such surrender and to purchase the improvements for their fair market value, as determined by appraisers, with funds from the Residential Lease Revolving Fund, if the Commissioner has a firm offer from a person who is qualified to take a residential lease to take the lease and purchase the improvements for not less than the amount to be paid therefor by the Commissioner and who has a commitment from a recognized lending institution to finance such purchase. Upon ac-

ceptance of the surrender and purchase of the improvements, the Commissioner shall accept the other offer, sell such improvements to that person and make a new lease to him.

**SECTION 15. Approval by Governor and Land Board.** All subdivisions of public lands and residential leases made, all purchases and sales of improvements erected by lessees upon lots under residential leases, and all purchases of the fee titles to the leasehold premises by the lessees thereof, and any sales of such fee simple titles during the ten-year period following issuance of a patent or deed thereupon, to any person not qualified or disqualified under sections 5 and 6 of this Act to take a residential lease, shall be subject to approval by two-thirds of the members of the land Board and by the Governor.

**SECTION 16. Costs of, and Realizations from, Residential Leasing.** The Commissioner of Public Lands is authorized to expend from the Land Development Fund sufficient moneys to meet all costs of the planning, development and subdivision of public lands for residential leasing, the sale of residential leases and otherwise to effectuate the purposes of this Act, and all realizations from residential leases and the selling of any improvements purchased from lessees shall be covered into said fund.

**SECTION 17. Other inconsistent laws amended; severability.** All laws or parts of laws of the Territory of Hawaii, including those which have heretofore been ratified by the Congress of the United States, and of the Hawaiian Organic Act, inconsistent with this Act are amended to conform with this Act. The provisions of this Act are declared to be severable and if any portion of this Act or the application thereof to any person, circumstance or property is held invalid for any reason, the validity of the remainder of this Act or the application of such portion to other persons, circumstances or property shall not be affected.

**SECTION 18. Effective date.** This Act shall take effect upon its approval, or, if at the time of its approval the consent of Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the Legislature of the State of Hawaii.

(Approved June 5, 1959.) **H.B. 10.**

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## ACT 270

An Act Making Appropriations Out of the General Revenues for the Biennial Period Ending June 30, 1961.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** That the following sums, or so much thereof as shall be sufficient to accomplish the purpose or programs designated by the appropriations, are hereby appropriated for the biennial period beginning July 1, 1959 and ending June 30, 1961, out of moneys in the treasury received from general revenues:

**ECONOMIC DEVELOPMENT AND NATURAL RESOURCES  
BOARD OF AGRICULTURE AND FORESTRY**

3,108,351  
(246.5)

Division of Administration .....	217,550(18)	
Division of Animal Industry .....	825,572(57)	
Administration .....	80,685(6)	
Livestock Disease .....	199,793(9)	
Veterinary Laboratory .....	114,540(7)	
Inspection and Quarantine .....	265,500(22.5)	
Meat Inspection .....	305,054(22)	
Meat Grading .....	25,000	
Total Requirements .....	990,572(66.5)	
Less Estimated Special Funds ..	165,000(9.5)	
Net Appropriation .....	825,572(57)	
Division of Entomology and Marketing .....	712,167(59)	
Administration .....	87,274(7)	
Plant Quarantine Inspection ..	296,637(26.75)	
Pest Control .....	174,694(12)	
Agriculture and Marketing .....	296,252(24.25)	
Total Requirements .....	854,857(70)	
Less Estimated Special and Federal Funds .....	142,690(11)	
Net Appropriation .....	712,167(59)	
Division of Fish and Game .....	475,989(32.5)	
Administration .....	77,171(6)	
Law Enforcement .....	255,206(18)	
Fisheries Research and Management .....	274,067(17)	
Wildlife Research and Management .....	243,095(17.5)	
Fishery Advisory Committee ..	2,750	
Total Requirements .....	852,289(58.5)	
Less: Estimated Special Funds .....	126,300	
Estimated Federal Funds .....	250,000(26)	
Net Appropriation .....	475,989(32.5)	
The tilapia bait project of \$51,551 shall not be undertaken unless there are capital improvements provided for to carry out the project.		
Division of Forestry .....	746,947(66)	
Administration .....	166,276(12)	
Forest Protection and Recreation Management ....	392,136(33.5)	
Watershed Use Study .....	22,000	
Nursery Operations .....	163,267(19)	
Forest Research and Zoning ....	60,268(4)	
Timber Testing and Timber Study and Planting .....	40,000	
Total Requirements .....	843,947(68.5)	
Less Estimated Special Funds ..	97,000(2.5)	
Net Appropriation .....	746,947(66)	

This appropriation includes \$100,000 for the forest protection and recreation management program, to acquire watershed which is intended to be a substitute for the continuous appropriation made by Act 274, S.L.H. 1949 and which shall be void if the said appropriation in said Act 274 is not rescinded by the 30th Legislature.

Division of Territorial Parks .....	130,126(14)	
Administration, Development and Operations .....	146,626(14)	
Less Estimated Special Funds ..	16,500	
Net Appropriation .....	130,126(14)	
<b>ECONOMIC PLANNING &amp; COORDINATION AUTHORITY</b>		287,668 (9.5)
Administration .....	75,788(5)	
Research .....	43,880(4.5)	
Promotion .....	18,000	
Neighbor Island Economic Development Program (Grants of \$50,000 each to Hawaii, Maui, and Kauai Counties) .....	150,000	
<b>HAWAII HISTORICAL SITES COMMISSION</b>		3,500
In the event that the Commission is transferred to the Division of Territorial Parks this appropriation shall be transferred also.		
<b>HAWAII SOIL CONSERVATION COMMITTEE</b>		3,250
<b>HAWAII VISITORS BUREAU</b>		1,500,000

This appropriation shall be subject to the following terms and conditions:

- (a) 50 per cent of the Hawaii Visitors Bureau executive board or committee shall be members appointed by the Governor, inclusive of the assistant territorial planning director, and by the board of supervisors of the city and county of Honolulu, and the boards of supervisors of the counties of Hawaii, Maui, Kauai, each of such members to be appointed for a term of two years, and until his successor is appointed, provided, however, that one half of the initial appointments shall be made for a one year term. Of such members, the Governor shall appoint one member, in addition to the assistant territorial planning director, to represent the territory at large, and the remaining members shall be apportioned in an equal manner as feasible to represent the city and county of Honolulu and the counties of Hawaii, Maui, and Kauai, and such members shall be appointed by the board of supervisors of the respective political subdivisions as aforesaid. Any member of any board of supervisors may be appointed to serve on the Hawaii Visitors Bureau executive board or committee.
- (b) This appropriation shall become available from time to time, upon warrants issued by the Comptroller of the Territory at such times as private contributions are received by the Bureau in cash and deposited to its credit in a bank. The moneys thus made available, hereinafter referred to as "matching funds", shall be expendable only as provided in sub-paragraphs (c) and (d). This appropriation shall become available from time to time as follows: The first \$250,000 of the Territory's appropriated funds for the first fiscal year shall be matched by private contributions in a ratio of 1 to 1, and the next \$500,000 of the Territory's appropriated funds for the first fiscal year shall be matched in a ratio of 2 from the Territory to 1 from private contributions. The first \$250,000 of the Territory's appropriated funds for the second fiscal year shall be matched by private contributions in a ratio of 1 to 1, and the next \$500,000 of the Territory's appropriated funds for the second fiscal year shall be matched in a ratio of 2 from the Territory and 1 from private contributions.
- (c) Not less than 30 per cent of all matching funds shall be spent for advertising and promotional work for the benefit of the counties of Hawaii, Maui and Kauai. Of this amount, not less than 20 per cent shall be spent for the benefit of the county of Hawaii, not less than 15 per cent for the county of Maui, and not less than 15 per cent for the benefit of the county of Kauai. These programs may include any and all of the activities now engaged in by the Bureau and any other activities that are related to tourist promotion.

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- (d) Not less than \$33,400 of all matching funds remaining after allowance for the amounts to be spent under sub-paragraph (c) above shall be spent for Aloha Week, such sums to be apportioned among the several counties, including the city and county of Honolulu, as follows:

City and County of Honolulu .....	\$25,800
County of Hawaii .....	2,400
County of Maui .....	2,400
(Molokai) .....	400
County of Kauai .....	2,400

\$33,400

HAWAII WATER AUTHORITY

258,902  
(10)

Water Resource Studies..... 128,200(10)

Supplementation of Hawaii Water Authority

Revolving Fund

Feasibility Studies. 50,000

Waimanalo Irrigation System .. 60,730

Waimea Irrigation System .. 19,972

Total Supplementation .....

130,702

Net Appropriation.

258,902

The funds appropriated to the Hawaii Water Authority Revolving Fund is to supplement the fund authorized under the provisions of Sec. 86-22, R.L.H. 1955 which is hereby increased from \$500,000 to \$630,702.

KAMEHAMEHA DAY CELEBRATION COMMISSION

32,500  
(1)

Celebration Expenses:

City and County of Honolulu .... 13,000

Hawaii County ... 7,500

Kauai County .... 2,500

Maui County (including Kalaupapa) .... 3,500

Salary-Kamehameha Day

Historian as prescribed in Act 104, S.L.H. 1957 at \$250 per month ..... 6,000(1)

This appropriation is to be expended in two equal installments in June of 1960 and 1961.

PACIFIC WAR MEMORIAL COMMISSION

18,000

TERRITORIAL PLANNING OFFICE

306,020  
(12)

Administration ... 284,166(12)

Development

Fund ..... 21,854

306,020(12)

DEPARTMENT OF PUBLIC LANDS

1,195,552  
(76)

Office of the Land

Commissioner .. 407,330(30)

Bureau of

Conveyances ... 437,768(42)

Division of

Hydrography .. 720,508(37)



Total  
 Requirements .. 1,565,606(109)  
 Less: Estimated  
 Federal Funds . 360,254(33)  
 Less: Estimated  
 Special Funds .. 9,800

Net Appropriation. 1,195,552(76)

DEPARTMENT OF PUBLIC WORKS

1,960,831

Office of the  
 Superintendent ..... 126,693(8)  
 Public Improvement  
 Revolving Fund .... 2,400  
 Maintenance and  
 Operations ..... 1,372,132(133.3)  
 Repairs and  
 Alterations ..... 500,000  
 2,001,225(141.3)

(130.3)

Less appropriated  
 receipts from  
 Highway Fund  
 for additional  
 service charge  
 for new High-  
 way building  
 maintenance ... 40,394(11)

Net Appropriation. 1,960,831(130.3)

The appropriation for maintenance and operation includes \$2,400 which is intended to be a substitute for the continuous appropriation contained in Act 224, S.L.H. 1943 and which shall be void if the said continuous appropriation in said Act 224 is not rescinded by the 30th Legislature.

SURVEY DEPARTMENT

415,915  
 (31)

EDUCATION

LIBRARIES

2,208,310  
 (213.5)

LIBRARY OF HAWAII

1,534,930  
 (146)

Total Requirements .. 1,707,230(161.5)

Less: Federal  
 Funds P.L.  
 597 ..... 50,300(3)  
 Territorial  
 Special Fund  
 —Desk and  
 Book Funds. 122,000(12.5)

Net Appropriations. 1,534,930(146)

HAWAII COUNTY LIBRARY

228,871  
 (22.1)

Total Requirements .. 256,431(24.7)

Less: Federal  
 Funds P.L.  
 597 ..... 20,000(1.6)  
 Territorial  
 Special Desk  
 Fund ..... 7,560(1.0)

Net Appropriation. 228,871(22.1)

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<b>MAUI COUNTY FREE LIBRARY</b>		<b>245,735</b>
		<b>(22.8)</b>
Total Requirements ..	268,271(25.5)	
Less: Federal		
Funds P.L.		
597 .....	16,000(1.2)	
Territorial		
Special Desk		
Fund .....	6,536(1.5)	
Net Appropriation.	245,735(22.8)	
<b>KAUAI PUBLIC LIBRARY ASSOCIATION, LTD.</b>		<b>198,774</b>
		<b>(22.6)</b>
Total Requirements ..	212,474(22.94)	
Less: Federal		
Funds P.L.		
597 .....	10,000	
Territorial		
Special Desk		
Fund .....	3,700(0.34)	
Net Appropriation.	198,774(22.6)	
<b>DEPARTMENT OF PUBLIC INSTRUCTION</b>		<b>57,286,372</b>
		<b>(5981-6186)</b>
General Administration .....	1,206,181(90-90)	
Territorial .....	756,213(56-56)	
District .....	449,968(34-34)	
General Education .....	58,113,389	
		<b>(5620-5807)</b>
Territorial		
Supervision ....	569,303(36-36)	
District		
Supervision ....	485,051(30-30)	
Overhead School		
Staff .....	7,571,929(722-746)	
<b>Classroom Instruction</b>		
Teachers on Ratio		
Kindergarten ..	3,759,512(436-447)	
Grades 1-12		
(Incl. Voca-		
tional		
Subjects) ....	36,430,967(3967-4107)	
Teachers off		
Ratio .....	1,177,096(140-140)	
Teachers Sub-		
stitutes and		
other com-		
pensation .....	649,115	
Classroom Sup-		
plies, Equip-		
ment, Books		
and Related		
Materials .....	4,161,185	
Current Expenses,		
Supplies and		
Equipment for		
Vocational		
Subjects .....	498,119	
Hana High School		
(purchase of		
land) .....	15,000	

**Auxiliary Services**

Audio Visual .....	54,536(6-6)	
School Lunch		
Cafeteria .....	1,622,665(185-191)	
Dental Health ....	456,242(46-46)	
Health Services ..	148,373(12-12)	
Pupil Guidance ..	297,767(25-31)	
Occupational		
Information &		
Guidance .....	104,862(9-9)	
Research &		
Evaluation .....	111,667(6-6)	
Special Education .....		4,180,065 (290-308)
Exceptional		
Children .....	842,355(81-90)	
Diamond Head		
School for Deaf		
and Blind .....	402,042(35-36)	
Institutional and		
Hospital Schools	326,569(29-29)	
Technical Schools	1,879,756(120-128)	
Lahainaluna		
Boarding De-		
partment and		
School Farm ...	172,863(5-5)	
Adult Education..	556,480(20-20)	
Total Requirements .....		63,499,635 (6000-6205)
Less such federal funds as may be made avail-		
able for vocational education, estimated at ..		365,000(16-16)
Less such federal funds as may be made avail-		
able for Central Veterans School under P.L.		
550, estimated at.....		39,640(3-3)
Less such federal funds as may be made avail-		
able under P.L. 874, estimated at.....	4,978,199	
Less such federal funds as may be made avail-		
able under P.L. 864, estimated at.....	595,556	
Less such special funds as may be made avail-		
able for adult education, estimated at.....	168,000	
Less such special funds as may be made avail-		
able for Lahainaluna Boarding School,		
estimated at .....	50,000	
Less such special funds as may be made avail-		
able from private donations.....	16,868	
Net Appropriations .....	57,286,372(5981-6186)	

Provided, that if a sum less than \$4,978,199 is provided by the Congress under the provisions of P.L. 874, then the difference between \$4,978,199 and the sum so provided is hereby appropriated; and provided, further, that if a sum greater than \$4,978,199 is provided then this appropriation shall be reduced to the extent that the actual realization shall exceed the estimated sum of \$4,978,199 for the biennium 1959-1961.

Provided, further, that if a sum less than \$595,556 is provided by the Congress under the provisions of P.L. 864, then the difference between \$595,556 and the sum so provided is hereby appropriated; and provided, further, that if a sum greater than \$595,556 is provided then this appropriation shall be reduced to the extent that the actual realization shall exceed the estimated

sum of \$595,556 for the biennium 1959-1961; and provided, further that the department may transfer funds between programs and organizational units to the extent necessary, with the approval of the Governor, in the event such fund adjustments are necessary and desirable to secure maximum Federal funds available to the department.

UNIVERSITY OF HAWAII	10,844,121 (879.68)
Division of Administration .....	1,004,628(99.62)
Total	
Requirements ..	1,321,898(100.62)
Less Estimated	
Special Funds ..	<u>317,270(1.00)</u>
Net Appropriation.	1,004,628(99.62)
Resident Instruction .....	3,764,792(275.51)
Total	
Requirements ..	6,033,741(421.71)
Less Estimated	
Special Funds ..	<u>2,268,949(146.20)</u>
Net Appropriation.	3,764,792(275.51)
Overseas Operations and Asian Studies .....	95,055
The above appropriation includes the salary for the director, staff and expenses.	
Hilo Branch .....	218,996(19.00)
Total	
Requirements ..	299,796(23.00)
Less Estimated	
Special Funds ..	<u>80,800(4.00)</u>
Net Appropriation.	218,996(19.00)
College of General Studies .....	111,787(8.00)
Total	
Requirements ..	660,047(16.00)
Less Estimated	
Special Funds ..	<u>548,260(8.00)</u>
Net Appropriation.	111,787(8.00)
Organized Activities Related to Instruction .....	605,563(44.75)
Laboratory	
Schools .....	628,695(52.50)
Teacher Training.	104,468
Military	
Commutations ..	<u>50,000(1.00)</u>
Total	
Requirements ..	783,163(53.50)
Less Estimated	
Special Funds ..	<u>177,600(8.75)</u>
Net Appropriation.	605,563(44.75)
General Organized Research .....	267,334(10.50)
Hawaii Marine	
Laboratory ....	45,266(3.00)
Romanzo Adams	
Research	
Laboratory ....	23,916(2.00)
Industrial Relations Center ...	18,737(2.00)
Faculty Research	
Committee .....	35,149(.50)

Hawaii Institute of Geophysics ..	49,266(3.00)	
Special Research Contracts .....	770,000	
Economic Research Center .....	<u>95,000</u>	
Total Requirements ..	1,037,334(10.50)	
Less Estimated Special Funds ..	<u>770,000</u>	
Net Appropriation.	267,334(10.50)	
Various Public Services.....		516,915(34.00)
Aquarium .....	147,321(11.75)	
Harvard Advanced Management Program .....	130,000(1.00)	
Land Study Bureau .....	183,696(10.00)	
Legislative Refer- ence Bureau ...	178,163(12.50)	
Philosophy East and West .....	9,683	
Press Revolving Fund .....	52,000	
Pacific Studies ...	16,928	
Radio .....	<u>29,134(2.75)</u>	
Total Requirements ..	746,925(38.00)	
Less Estimated Special Funds ..	<u>230,010(4.00)</u>	
Net Appropriation.	516,915(34.00)	
Library .....		402,874(40.50)
Total Requirements ..	613,021(40.50)	
Less Estimated Special Funds ..	<u>210,147</u>	
Net Appropriation.	402,874(40.50)	
Operation and Maintenance of Physical Plants..		1,197,323(124.00)
Total Requirements ..	1,324,640(124.00)	
Less Estimated Special Funds ..	<u>127,317</u>	
Net Appropriation.	1,197,323(124.00)	
Hawaii Agricultural Experiment Station.....		1,555,449(143.68)
General Activities .....	1,925,739(150.62)	
Food Processing and Utilization Laboratory ....	76,425(5.50)	
Bauxite Reclama- tion Project ....	20,356(1.00)	
East Hawaii Branch Station .	<u>180,229(16.00)</u>	

Total	
Requirements ..	2,202,749(173.12)
The appropriation for the East Hawaii Branch Station not to be expended unless the capital improvement project is allowed.	
Less Estimated	
Special Funds ..	647,300(29.44)
Net Appropriation.	1,555,449(143.68)
Agricultural Extension Service.....	1,058,405(80.12)
Total	
Requirements ..	1,562,085(115.26)
Less Estimated	
Special Funds ..	503,680(35.14)
Net Appropriation.	1,058,405(80.12)
Equipment for New Men's Dormitory.....	45,000
Net Appropriation.	45,000

The amount of the appropriation necessary to match allotments made by the United States Government for agricultural extension service and agricultural experiment station operations shall be payable to the University of Hawaii in total, by single warrant, or by several warrants, representing periodical allotments, but only if this is a necessary condition for receiving such Federal allotments. Such disbursements matching the allotments may be regularly audited by the Federal Auditor and shall be subject to the same limitations as the character of expenditures of the Federal Funds which they offset.

Any other law to the contrary notwithstanding, no portion of the funds appropriated by this Act for the University of Hawaii, or collected or received by the University from its students or from the United States, or of any other funds under the control of its board of regents, shall be expendable for the reimbursement to the Territory for the amount payable by the Territory to cover the liability of the Territory to the various funds of the Employees' Retirement System or account of the employees of the University, nor shall any law providing for such reimbursement be deemed applicable to the University, except that this exemption shall not apply to Auxiliary Enterprise funds and other funds which have not been netted in deriving the net appropriation of the University.

## HEALTH AND WELFARE

HEALTH, DEPARTMENT OF	8,145,941 (605)
General Administration .....	245,875(21)
Total	
Requirements ..	293,385(26)
Less Federal	
Special Funds ..	47,510(5)
Net Appropriation.	245,875(21)
Dental Care, Division of.....	35,919(2)
Hospitals and Medical Care, Division of.....	254,280(6)
Administration ...	83,385(6)
Government	
Physicians .....	170,895
	254,280(6)
Local Health Services, Division of.....	1,390,998(131)
Administration ...	430,438(36)
Public Health	
Nursing .....	1,041,936(104.5)
Total	
Requirements ..	1,472,374(140.5)

Less Federal		
Special Funds ..	81,376(9.5)	
Net Appropriation.	1,390,998(131)	
Mental Health, Division of .....		612,077(40)
Total		
Requirements ..	654,545(43)	
Less Federal		
Special Funds ..	42,468(3)	
Net Appropriation.	612,077(40)	
Preventive Medicine, Division of .....		1,237,893(78)
Administration ...	36,666(2)	
Crippled Children.	462,136(17.5)	
Mental		
Retardation ....	65,572(4.5)	
Epidemiology ....	63,417(3)	
Geriatrics, Cancer		
and Venereal		
Disease Control.	183,357(12)	
Laboratories .....	348,398(28.5)	
Maternal and		
Child Health .....	195,319(11.5)	
Nutrition .....	29,729(2)	
Poliomyelitis		
Vaccination ....	27,500	
Tuberculosis		
Control .....	300,684(22)	
Total		
Requirements ..	1,712,778(103)	
Less Federal		
Special Funds ..	474,885(25)	
Net Appropriation.	1,237,893(78)	
Sanitation, Division of .....		1,921,170(183)
Administration ...	89,119(5)	
Industrial Hygiene	152,980(10)	
Mosquito Control.	348,568(31)	
Plague and		
Typhus Control.	640,583(76)	
Pure Food		
and Drugs .....	93,816(8)	
Sanitary		
Engineering ....	609,558(54)	
Total		
Requirements ..	1,934,624(184)	
Less Federal		
Special Funds ..	13,554(1)	
Net Appropriation.	1,921,170(183)	
Specialized Services .....		220,602(20)
Health Education.	84,954(7)	
Health Statistics..	168,112(16)	
Total		
Requirements ..	253,066(23)	
Less Territorial		
Special Funds ..	1,000	

Federal Special Funds .....	31,464(3)	
Net Appropriation ..	220,602(20)	
Hansen's Disease, Division of .....		423,722(124)
Administration ...	179,971(13)	
Hale Mohalu .....	726,816(46)	
Kalaupapa Settlement .....	1,516,935(65)	
Total Requirements ..	2,423,722(124)	
Less Appropriated Receipts—		
Federal .....	2,000,000	
Net Appropriation ..	423,722(124)	
Medical Care of Indigent and Medically Indigent ..		1,803,475
Medical Care of Indigents and Medically Indigent .....	2,411,915	
Medically Indigent Stand-ard Study .....	5,000	
Total Requirements ..	2,416,915	
Less Appropriated Receipts Trans-ferred from Department of Public Welfare ..	613,440	
Net Appropriation ..	1,803,475	

Provided, that if a sum less than \$2,000,000 is provided by the Congress for the Hansen's Disease program, then the difference between \$2,000,000 and the sum so provided is hereby appropriated; and provided, further, that if a sum greater than \$2,000,000 is so provided, then this appropriation shall be reduced to the extent that the actual realization shall exceed the estimated sum of \$2,000,000 for the biennium 1959-1961, and

Provided, that if an amount less than \$613,440 is realized from federal funds for Medical Care, then the difference between \$613,440 and the amount of the federal funds provided is hereby appropriated; and provided, further, that if an amount greater than \$613,440 is provided, then this appropriation shall be reduced to the extent that the actual realization shall exceed the estimated sum of \$613,440 for the biennium 1959-1961.

Any sums appropriated by the Legislature for the costs of medical care for the indigent and medically indigent may, with the approval of the governor, be transferred to the department of public welfare for expenditure by that department in accordance with the requirements of federal laws or federal rules and regulations under which federal matching funds may be claimed by the Territory.

INSTITUTIONS, DEPARTMENT OF		11,769,777 (1030.6)
Office of the Director .....	216,173(16)	
Administration ...	216,173(16)	
Territorial Hospital .....		4,866,915(430)
Administration ...	337,607(34.5)	
Support and Subsistence ....	1,324,068(68)	



Care, Treatment  
and Training ... 2,641,201(299.5)  
Maintenance and  
Operations ..... 491,951(29)  
Production ..... 145,906(9)

Total  
Requirements .. 4,940,733(440)

Less: Federal  
Special Funds .. 72,647(10)  
Territorial  
Special Funds .. 1,171

Net Appropriation. 4,866,915(430)

Provided, that these appropriations for Territorial Hospital are intended for an average daily patient population of 1,240.

Waimano Home ..... 2,961,941(291.6)

Administration ... 164,761(13)  
Support and  
Subsistence .... 540,935(25)  
Care, Treatment  
and Training ... 1,642,664(224.6)  
Maintenance and  
Operations ..... 412,825(17)  
Production ..... 305,756(12)

Total  
Requirements .. 3,066,941(291.6)

Less Territorial  
Special Funds .. 105,000

Net Appropriation. 2,961,941(291.6)

Provided, that these appropriations for Waimano Home are intended for an average daily patient population of 875.

Hawaii Prison System..... 2,329,544(161)

Administration ... 227,889(18)  
Support and  
Subsistence .... 595,859(5)  
Care, Treatment  
and Training ... 1,045,420(110)  
Maintenance and  
Operations ..... 454,181(20)  
Production ..... 288,884(12)  
Gorse Control  
—Maui ..... 20,000

Total  
Requirements .. 2,632,233(165)

Less Territorial  
Special Funds .. 302,689(4)

Net Appropriation. 2,329,544(161)

Provided, that these appropriations for Hawaii Prison System are intended for an average inmate population of 520.

Training Schools ..... 1,078,337(104)

Administration ... 191,190(16)  
Support and  
Subsistence .... 129,172(2)

Care, Treatment and Training ...	534,690(72)
Maintenance and Operations .....	208,889(10)
Production .....	<u>75,361(4)</u>
Total Requirements ..	1,139,302(104)
Less Territorial Special Funds ..	<u>60,965</u>
Net Appropriation.	1,078,337(104)

Provided, that these appropriations for Training Schools are intended for an average daily ward population of 187.

Parole and Home Placement.....	151,357(13)
Administration ...	64,869(6)
Care, Treatment and Training ...	86,488(7)
Paroles and Pardons.....	165,510(15)
Administration .....	55,918(5)
Care, Treatment and Training ...	<u>109,592(10)</u>

PUBLIC WELFARE, DEPARTMENT OF

8,559,611  
(233)

Administration .....	360,125(47)
Total Requirements ..	553,676(50)
Less Federal Appropriated Receipts .....	<u>193,551(3)</u>
Net Appropriation.	360,125(47)
Social Welfare Services.....	1,199,486(186)
Total Requirements ..	1,817,948(193)
Less Federal Appropriated Receipts .....	<u>618,462(7)</u>
Net Appropriation.	1,199,486(186)
Economic Assistance .....	7,000,000
Aged Persons ....	1,596,000
Children and Their Families .	8,464,144
Children in Foster Homes and Institutions.	752,400
Blind Persons ....	115,200
Disabled Persons .	2,398,752
Other Needy Adults .....	<u>305,664</u>
Total Requirements ..	13,632,160
Less Federal Appropriated Receipts .....	<u>6,632,160</u>
Net Appropriation.	7,000,000

SIGHT CONSERVATION AND WORK WITH THE BLIND, BUREAU OF	442,143 (43.5)
Basic Services .....	386,916(38.5)
Total	
Requirements ..	405,416(38.5)
Less Territorial Special Funds	
—Donations ...	18,500
Net Appropriation.	386,916(38.5)
Vocational Rehabilitation of Visually Handicapped .....	36,474(3)
Total	
Requirements ..	96,801(3)
Less: Federal Appropriated Receipts .....	58,993
Territorial Special Funds —Donations ...	1,334
Net Appropriation.	36,474(3)
Territorial Workshop for Adult Blind.....	18,753(2)
Total	
Requirements ..	199,953(2)
Less: Territorial Special Funds ..	181,200
Net Appropriation.	18,753(2)
VETERANS' AFFAIRS, COUNCIL ON	123,860
Counselling Services .....	83,860(8)
Aid to Paraplegic Veterans .....	40,000
Net Appropriation.	123,860(8)
Provided, that if the appropriation for paraplegic Veterans in Senate Bill No. 654 becomes law, the above appropriation for the same purpose shall be void.	
VOCATIONAL REHABILITATION, DIVISION OF	210,313 (20)
Vocational Rehabilitation .....	210,313(20)
Total	
Requirements ..	550,776(20)
Less: Federal Appropriated Receipts .....	340,463
Net Appropriation.	210,313(20)
<b>PROTECTIVE SERVICES</b>	
COMMISSION ON CHILDREN AND YOUTH	36,101 (2)
CIVIL DEFENSE AGENCY	137,302 (5)
Administration ...	81,559(4)
Health Services ..	32,543(1)
Special Programs.	46,400
Total	
Requirements ..	160,502(5)

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Less: Federal  
Funds to be  
Matched by  
Territorial  
Funds estimated  
at ..... 23,200  
Net Appropriation. 137,302(5)

The total number of positions provided above may be increased if federal funds become available.

LABOR AND INDUSTRIAL RELATIONS

699,346  
(58)

Administration ... 196,714(15)  
Apprenticeship  
Program ..... 57,000(5)  
Labor Law  
Enforcement ... 164,227(15)  
Workmen's  
Compensation  
Bureau ..... 252,714(21)  
Hawaii Employ-  
ment Relations  
Board ..... 33,691(2)  
Total  
Requirements .. 704,346(58)  
Less: Special  
Fund Accident  
Prevention Fund  
Estimated at ... 5,000  
Net Appropriation. 699,346(58)

MILITARY DEPARTMENT

1,088,115  
(97)

Command and  
Administration . 451,234(36)  
Maintenance and  
Operations ..... 725,781(61)  
Encampment Pay. 105,000  
Total  
Requirements .. 1,282,015(97)  
Less: Armory  
Board Special  
Fund Estimated  
at ..... 18,900  
Federal  
Service Contract  
Funds Estimated  
at ..... 175,000  
Net Appropriation. 1,088,115(97)

If the Hawaii National Guard and the Hawaii Air National Guard shall be called or ordered into the service of the United States, the foregoing appropriations or any part thereof remaining unexpended shall be available to the Hawaii Territorial Guard. If only a part of the Hawaii National Guard or the Hawaii Air National Guard should be called or ordered into the service of the United States, the Adjutant General with the approval of the Director of the Bureau of the Budget shall allocate the foregoing appropriations or any part thereof remaining unexpended between the Hawaii Territorial Guard and the Hawaii National Guard.

This appropriation includes \$105,000 of encampment pay and is intended to be a substitute for the continuous appropriation under the provisions of Sec. 353-47, R. L. H. 1955, and shall be void if the said appropriation in said Sec. 353-47 is not rescinded by the Thirtieth Legislature.

COMMISSION ON SUBVERSIVE ACTIVITIES 35,560  
(3)

No Part of the monies appropriated herein shall be used in any way or manner to make inquiries of applicants or candidates for public employment or public office or of public officials, whether orally or in writing, with respect to or in connection with any matters relating or pertaining to communist, fascist or subversive activity of any kind whatsoever, unless such inquiries are limited to a period within eight years of the inquiry.

TERRITORIAL BOXING COMMISSION 30,814  
(2)

**CENTRAL SERVICES**

ATTORNEY GENERAL 509,243  
(34)

Attorney General's Office . . . . . 491,279(32)

Total

Requirements . . 837,111(47)

Less: Special

Fund Reim-  
bursements from

Departments . . . 340,000(15)

Collection

Agency Advi-  
sory Board . . . . . 2,800

Special Fund . . 3,032

Net Appropriation. 491,279(32)

Bureau of Crime Statistics . . . . . 9,564(1)

Office of the High Sheriff . . . . . 8,400(1)

BUREAU OF THE BUDGET 1,182,213  
(31)

Bureau of the  
Budget Proper . 407,213(31)

Supplies Revol-  
ving Fund . . . . . 25,000

Insurance

Management  
Program . . . . . 750,000

DEPARTMENT OF CIVIL SERVICE 403,372  
(31)

DEPARTMENT OF THE COMPTROLLER 591,226  
(43.3)

Comptroller's Office . . . . . 423,359(32)

Electric Accounting Machine Division . . . . . 167,867(11.3)

EMPLOYEES' RETIREMENT SYSTEM 8,048,327  
(27)

Administration . . . . . 311,836(27)

Contributions . . . . . 7,671,092

Pension Accumu-  
lation Fund—

Regular . . . . . 5,338,043

Social Security

Tax . . . . . 2,202,989

Per Diem		
Employees and		
Legislators Act		
110, SLH 1951..	118,060	
Military Leave,		
Act 72, SLH		
1941 .....	12,000	
Pensions .....		65,399
Veterans		
Hawaii Guard ..	2,544	
Legislative		
Pensions .....	23,807	
Minimum Pensions	39,048	
EXECUTIVE DEPARTMENT		367,500
		(15)
Governor's Office and Washington Place.....	215,000(15)	
This appropriation shall be expended at the discretion of the governor.		
Governor's Contingent Fund.....	150,000	
Expenditures from this fund may be made with the approval of the Governor for urgent needs for which no specific appropriation or an insufficient appropriation is made herein or otherwise; a detailed account of all of which expenditures shall be submitted to the next Legislature.		
It is also provided that so much as is necessary to increase this fund to \$150,000 at the beginning of the second fiscal year shall be transferred from departmental savings effected during the first fiscal year of the biennium.		
International Cooperation Center.....	2,500	
PUBLIC ARCHIVES		148,310
Archives .....	104,643(11.75)	(15)
Records		
Management ...	43,667(3.25)	
SECRETARY OF HAWAII		244,564
		(8)
Secretary's Office .	76,005(8)	
Expenses—1960		
Election only ..	138,559	
Publication of		
Session Laws		
of Hawaii		
and Cumulative		
Supplement ....	30,000	
(The appropriation to lapse upon the office of revisor of statutes being established.)		
DEPARTMENT OF THE TAX COMMISSIONER		3,712,989
		(334)
Administration .....	372,595(27)	
Real Property Tax & Taxation Maps.....	951,193(81)	
Real Property Tax	751,803(60)	
Taxation Maps ...	199,390(21)	
Income and Miscellaneous Taxes.....	1,045,697(105)	
Examiners and Auditors.....	482,651(41)	
Collection .....	644,544(58)	
Delinquent Taxes .....	210,227(22)	
Boards of Review.....	6,082	
TREASURY DEPARTMENT		18,235,240
		(42)

Deputy Bank Examiner.....	188,582(14)
Insurance Bureau .....	142,084(12)
Office of the Fire Marshal.....	70,762(4)
Treasurer's Office .....	161,202(12)
Bonded Debt .....	17,609,840
Public Debt Service.....	62,770

**COMMISSION ON UNIFORM LEGISLATION** 1,000

This appropriation is intended to be a substitute for the continuous appropriation under the provisions of Sec. 1-45, R. L. H. 1955, and shall be void if the said appropriation in said Sec. 1-45 is not rescinded by the Thirtieth Legislature.

**JUDICIAL BRANCH**

**SUPREME COURT** 211,122  
(12)

Supreme Court	
Proper .....	105,362(9)
Supreme Court	
Library .....	49,613(3)
Publication of	
Hawaii Reports.	25,247
Justices' Salaries..	103,000(3)
Total	
Requirements ..	283,222(15)
Less Federal	
Funds—Justices'	
Salaries .....	72,100(3)
Net Appropriation.	211,122(12)

**DISTRICT COURT OF KALAWAO** 4,560  
(1)

**LAND COURT** 52,387  
(3)

**TAX APPEAL COURT** 6,290

**CIRCUIT COURT OF THE FIRST CIRCUIT** 2,024,433  
(159)

First Circuit	
Court Proper ..	818,695(59)
Adult Probation	
Division .....	154,335(14)
Juvenile Court	
Proper .....	705,043(60)
Juvenile Detention	
Home .....	267,610(26)
Judges' Salaries ..	210,000(7)
Total	
Requirements ..	2,155,683(166)
Less Federal	
Funds—Judges'	
Salaries .....	131,250(7)
Net Appropriation.	2,024,433(159)

**CIRCUIT COURT OF THE SECOND CIRCUIT** 396,537  
(25)

Second Circuit	
Court .....	320,287(25)
Mauj Detention	
Home	
(Construction) .	65,000

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Judge's Salary ... 30,000(1)  
 Total  
 Requirements .. 415,287(26)  
 Less Federal  
 Funds—Judge's  
 Salary ..... 18,750(1)  
 Net Appropriation. 396,537(25)

CIRCUIT COURT OF THE THIRD CIRCUIT

462,264  
 (29)

Third Circuit  
 Court ..... 439,764(29)  
 Judges' Salaries .. 60,000(2)  
 Total  
 Requirements .. 499,764(31)  
 Less Federal  
 Funds—Judges'  
 Salaries ..... 37,500(2)  
 Net Appropriation. 462,264(29)

CIRCUIT COURT OF THE FIFTH CIRCUIT

190,743  
 (13)

Fifth Circuit Court 179,493(13)  
 Judge's Salary ... 30,000(1)  
 Total  
 Requirements .. 209,493(14)  
 Less Federal  
 Funds—Judge's  
 Salary ..... 18,750(1)  
 Net Appropriation. 190,743(13)

SUBSIDIES TO COUNTIES AND PRIVATE AGENCIES

LEAHI HOSPITAL

3,516,939  
 (355.75)

Leahi Hospital  
 Total  
 Requirements .. 3,668,837(355.75)  
 Less such receipts  
 and recoveries  
 as may be avail-  
 able, estimated  
 at ..... 151,898  
 Net Appropriation. 3,516,939(355.75)

As a supplement to the estimated receipts for the operation and maintenance of the tuberculosis hospital for the biennium 1959-1961; provided, that this appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$151,898 for the biennium 1959-1961; and provided, further, that the appropriation above is intended for an average daily in-patient population of 280.

KULA SANATORIUM

1,141,587  
 (126)

Kula Sanatorium—Tuberculosis Division

Total  
 Requirements .. 1,188,220(116)  
 Less such T.B.  
 hospital receipts  
 and recoveries  
 as may be avail-



able, estimated at .....	<u>73,463</u>
Net Appropriation.	1,114,757(116)
Kula General Hospital Division	
Total	
Requirements ..	82,030(10)
Less such receipts as may be avail- able, estimated at .....	<u>55,200</u>
Net Appropriation.	26,830(10)

As a supplement to the estimated receipts for the operation and maintenance of the Sanatorium and General Hospital for the biennium 1959-1961, provided, that the appropriations shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$128,663 for the biennium 1959-1961; and provided, further that the appropriations above are intended for an average daily in-patient population of 90 for the Tuberculosis Division and 6 for the General Hospital Division.

PUUMAILE AND HILO MEMORIAL HOSPITAL 1,151,002  
(124.35)

Tuberculosis Division	
Total	
Requirements ..	1,191,002(124.35)
Less such receipts and recoveries as may be avail- able, estimated at .....	<u>40,000</u>
Net Appropriation.	1,151,002(124.35)

As a supplement to the estimated receipts for the operation and maintenance of the tuberculosis hospital for the biennium 1959-1961; provided, that this appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$40,000 for the biennium 1959-1961 and provided, further, that the appropriation above is intended for an average daily in-patient population of 100.

SAMUEL MAHELONA MEMORIAL HOSPITAL 799,231  
(88)

Total	
Requirements ..	861,631(88)
Less such receipts and recoveries as may be avail- able, estimated at .....	<u>62,400</u>
Net Appropriation.	799,231(88)

As supplement to the estimated receipts for the operation and maintenance of the tuberculosis hospital for the biennium 1959-1961; provided, that this appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$62,400 for the biennium 1959-1961; and provided, further, that the appropriation above is intended for an average daily in-patient population of 65.

MOLOKAI COMMUNITY HOSPITAL, INC. 119,252  
(30)

Total	
Requirements ..	295,492(30)

Less such receipts  
as may be made  
available. The  
uncollectible ac-  
counts receiv-  
able as of July  
31, 1949 in the  
sum of \$9,762.20  
are hereby  
cancelled ..... 176,240

Net Appropriation. 119,252(30)

As supplement to the estimated receipts for the operation and maintenance of the general hospital for the biennium 1959-1961; provided, that this appropriation shall be reduced to the extent that the actual receipts shall exceed the estimated sum of \$176,240 for the biennium 1959-1961; and, provided, further, that the appropriation above is intended for an average daily patient population of 10.

# SUBSIDIES TO HOSPITALS

449,391

Puumaile & Hilo Memorial Hospital— General .....	81,872
Maluhia Hospital .	96,127
Central Maui Memorial Hospital .....	46,053
Hana Hospital ...	7,676
Honokaa Hospital.	14,620
Kohala Hospital ..	13,889
Kona Hospital ...	14,255
Kauai Veterans Memorial .....	11,696
Wahiawa General Hospital .....	24,123
Southshore Hospital .....	14,255
Kahuku Hospital .	10,965
Lanai Hospital ...	10,000
Kapiolani Maternity Hospital .....	10,000
Kauikeolani Children's Hospital .....	10,000
Kuakini Hospital .	10,000
St. Francis Hospital .....	10,000
Queen's Hospital .	10,000
Maunalani Hospital .....	10,000
Pahala Hospital ..	12,427
Wilcox Memorial Hospital .....	31,433

This appropriation shall be paid in quarterly installments; provided, that such installments shall not be paid unless and until (1) the comptroller finds that the recipient hospital has installed and is maintaining uniform accounting system in conformity with accepted standards of the American

Hospital Association; (2) the recipient hospital has filed with the comptroller a statement of receipts and disbursements in accordance with the system prescribed for the quarter for which payment is made; and (3) all persons licensed to practice medicine and surgery in the Territory pursuant to the provisions of Chapter 64, R.L.H. 1955, are allowed the use of facilities of the recipient hospitals without discrimination except for misconduct or abuse of such facilities.

LUNALILO HOME	80,000
FIREBOAT—CITY AND COUNTY OF HONOLULU	220,102
	(23)

Fire Department

Total	
Requirements . .	280,102(23)
Less Harbor Board	
Special Fund . . .	<u>60,000</u>
Net	
Appropriation . .	220,102(23)

This appropriation is intended to be a substitute for the continuous appropriation under the provisions of Sec. 112-22, R.L.H. 1955, and shall be void if the said appropriation in said Sec. 112-22 is not rescinded by the Thirtieth Legislature.

VETERANS CEMETERIES	20,000
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Island of Hawaii . .	5,000
Island of Kauai . . .	5,000
Island of Maui . . . .	5,000
Island of Molokai . .	5,000

This appropriation is intended to be a substitute for the continuous appropriation under the provisions of Act 214, S.L.H. 1947, and shall be void if the said appropriation in said Act 214 is not rescinded by the Thirtieth Legislature.

Total of General Appropriation Act	154,997,969
	(11,266.98)(11,471.98)

SECTION 2. That \$393,809 (36.3), or so much thereof as shall be sufficient to accomplish the purpose, is hereby approved for the Hawaiian Homes Administration Account pursuant to the provisions of Sec. 213(f), Hawaiian Homes Commission Act of 1920 as amended, from the proceeds of leasing the available lands as defined in Sec. 204 of said Act.

SECTION 3. In the event Federal funds which are normally available to pay the salaries of the Governor, employees of the Governor's Office, Secretary of Hawaii, Supreme Court Justices, and Judges of the Circuit Courts, legislators and other expenses of the Governor's Office are reduced or eliminated during the biennium 1959-1961 and Territorial funds have not been appropriated to offset such reductions, the amounts necessary to fully offset such reductions or eliminations are hereby appropriated out of general revenues of the Territory and State of Hawaii. This provision shall apply to include the salaries of any additional justices of the Supreme Court or other officers authorized under the state constitution of Hawaii in the event of statehood.

SECTION 4. Within 60 days after this Act takes effect, the Governor, or the Director of the Bureau of the Budget, if so delegated, shall allocate funds herein appropriated for each department, agency, or commission

by any breakdown considered necessary to assure the accomplishment of program objectives and fiscal policies intended by the Legislature for each of the two fiscal years of the biennium, provided, however, that the total allocation for the Territorial Government for the first fiscal year shall not exceed 48 per cent of the total of the General Appropriation Act, and provided, further, that the allocation between the fiscal years shall be made on the basis of providing uniform quality of services throughout the biennium.

In the event statehood is achieved during the first fiscal year, the allocation of the second fiscal year shall lapse into the general fund of the state of Hawaii.

SECTION 5. In allotting funds for the Department of Institutions, Department of Public Welfare, tubercular and general hospitals, and other departments, commissions, and agencies, which appropriations are based on population and workload data as specified in this Act, only so much as necessary shall be allotted by the Bureau of the Budget to provide the level of services intended by the Legislature. For this purpose, the departments concerned shall reduce expenditures below appropriations as prescribed by the Bureau of the Budget in the event the actual population and workload trend is less than the specified figure. In the event the actual population and workload trend is higher than the specified figure, the department is authorized to submit a deficiency appropriation request.

SECTION 6. Changes and transfers in allocations within each fiscal year may be made by the head of a department, agency, or commission upon his certification, and approval by the Director of the Bureau of the Budget, that appropriation balances are available for such transfers after the program objectives intended by the Legislature have been or will be accomplished and that such transfers are necessary to accomplish program objectives authorized by the Legislature.

SECTION 7. The maximum number of positions the Governor is authorized to have for the Territorial government at the end of the 1959-1961 biennium is the sum of the positions enclosed in parentheses after the appropriations stated for all departments, and any position over and above the total authorized number of positions for the Territorial government as a whole at the effective date of this Act shall be reduced by the Governor through normal attrition or transfer of positions, provided, that this section shall not apply to any position which is required to perform a function or service of a temporary or non-recurring character nor shall it apply to the classroom teaching positions of the Department of Public Instruction and the University of Hawaii, overhead staff positions of Department of Public Instruction which are controlled by formulae, the Governor's Office and Washington Place, and positions not covered by the appropriations herein. Where the appropriations show both general and special fund positions, the Governor may increase the over-all ceiling for additional positions to be financed from increased appropriated receipts, federal funds, special funds, and other non-general fund receipts.

In the event statehood for Hawaii is achieved during the first fiscal year, the maximum number of positions as prescribed above shall be applicable at the end of the 1959-1960 fiscal year after the maximum

number established for the biennium is adjusted for the first fiscal year by the Bureau of the Budget in accordance with the intent of the Legislature.

SECTION 8. No funds appropriated in this Act shall be used by a department for the purpose of conducting a study or survey of its management practices or of any other matter, except as authorized by this Act or any other Act of the Legislature, or by a legislative interim committee on reorganization, or by the Governor if there be no legislative interim committee in existence.

SECTION 9. This Act shall take effect from and after July 1, 1959.

(Approved June 5, 1959.) **H.B. 1.**

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### ACT 271

An Act Relating to the Employment of Medical Specialists by Hospitals Operated by the Territory of Hawaii or its Political Subdivisions, and Amending Sections 64-2 and 64-3 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 64-2 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto after the word "license" in line ten of the first paragraph of said section the words "or a limited and temporary license" the amended paragraph to read as follows:

**"Sec. 64-2. License required; exceptions.** Except as otherwise provided by law, no person shall practice medicine or surgery in the Territory either gratuitously or for pay, or shall offer to so practice, or shall advertise or announce himself, either publicly or privately, as prepared or qualified to so practice, or shall append the letters 'Dr.' to his name, with the intent thereby to imply that he is a practitioner of medicine or surgery, without having a valid unrevoked license or a limited and temporary license, obtained from the board of health, in form and manner substantially as hereinafter set forth. Such license shall only be granted upon the written recommendation of the board of medical examiners."

SECTION 2. Section 64-3 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new subparagraph (g), to read as follows:

64-3 Subparagraph "(g)" to be worded as follows:

"(g) No medical specialist shall be issued a limited and temporary license to practice medicine or surgery except upon the written report of the Board of Medical Examiners setting forth that there is an absence or shortage of qualified physician specialists, that a public emergency exists and that the requirements of examination established by this chapter be waived and that the applicant holds a certificate of the National Board of Medical Examiners or that he has been duly licensed as a physician under the laws of another State or Territory of the United States and that, in the opinion of the Board of Medical Examiners, the applicant meets the qualifications required of physicians in this Territory (or State) and sets forth the limitations of the temporary license with respect to practice in a hospital operated by the Territory of Hawaii or any of its political subdivisions and that the

applicant be subject to qualify for regular license at the next examination conducted by the Board for which he is eligible. Such limited and temporary license shall be automatically cancelled when such a person has been examined by the Board of Medical Examiners."

SECTION 3. This Act shall take effect upon its approval.

(Approved June 8, 1959.) **S.B. 852.**

## ACT 272

An Act Amending Section 14-5 of the Revised Laws of Hawaii 1955, as Amended, to Provide a Great Seal for the State of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Purpose.** It is the purpose of this Act to adopt the great seal of the Territory of Hawaii, with appropriate modifications, as the great seal of the State of Hawaii.

SECTION 2. Section 14-5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following manner:

(a) By substituting the word "State" for the word "Territorial" in the section heading;

(b) By substituting the word "State" for the word "Territory" in the second and sixteenth lines;

(c) By substituting the word "Hawaiian" for the word "territorial" in the sixth and thirteenth lines; and

(d) By substituting the figures "1959" for the figures "1900" in the sixteenth line; so that the section reads as follows:

**"Sec. 14-5. State seal, description.** The great seal of the State shall be circular in shape, two and three-quarters inches in diameter, and of the design being described, with the tinctures added as a basis for the coat of arms as follows:

**Arms.** An heraldic shield which is quarterly; first and fourth, stripes of the Hawaiian flag; second and third, on a yellow field, a white ball pierced on a black staff; overall, a green escutcheon with a five-pointed yellow star in the center.

**Supporters.** On the right side, Kamehameha I, standing in the attitude as represented by the bronze statue in front of Aliiolani Hale, Honolulu; cloak and helmet yellow; figure in natural colors. To the left, goddess of liberty, wearing a Phrygian cap and laurel wreath, and holding in right hand the Hawaiian flag, partly unfurled.

**Crest.** A rising sun irradiated in gold, surrounded by a legend "State of Hawaii, 1959," on a scroll, black lettering.

**Motto.** "Ua mau ke ea o ka aina i ka pono" on the scroll at bottom, gold lettering.

**Further accessories.** Below the shield, the bird Phoenix wings outstretched; arising from flames, body black, wings half yellow, half dark red; also eight taro leaves, having on either side banana foliage and sprays of maidenhair fern, trailed upwards."

SECTION 3. This Act shall take effect upon the admission of Hawaii into the Union as a State.

(Approved June 8, 1959.) **S.B. 1149.**

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### ACT 273

An Act Providing for the Compensation of the Governor, Lieutenant Governor and Administrative Director for the Governor, Providing for the Position of Administrative Director and Making an Appropriation Therefor.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Position of administrative director created.** The governor shall appoint, and may remove, an administrative director, without regard to the provisions of chapters 3 and 4. The administrative director shall be experienced in the operations of government. He shall assist the governor by gathering and collating information concerning the functioning of the state government, by establishing and maintaining liaison among the several departments, by preparing the agenda for cabinet meetings, by administering management improvement programs, and in such other manner as the governor may direct.

SECTION 2. **Salary.** The salary of the administrative director shall be \$16,000 per annum. The administrative director shall be a member of the state employees' retirement system and shall be included under the operations of the federal social security program or any other state or federal employee benefit program generally applicable to officers and employees of the state.

SECTION 3. The compensation of the governor of the state of Hawaii shall be \$25,000 per annum. The compensation of the lieutenant governor of the state of Hawaii shall be \$19,000 per annum.

SECTION 4. There is hereby appropriated from the general revenues of the Territory not otherwise appropriated the sum of \$12,442 or so much thereof as may be necessary to carry out the provisions of this Act for the first fiscal year, ending on June 30, 1960.

SECTION 5. This Act shall take effect upon its approval and shall apply to the first governor, lieutenant governor, and administrative director of the state of Hawaii.

(Approved June 9, 1959.) **S.B. 1140.**

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### ACT 274

An Act to Conserve, Protect and Regulate Ground-Water Resources of the Territory; to Define and Establish Certain Ground-Water Rights and Uses; to Require the Reporting of Ground-Water Use; Providing for the Creation of a Commission on Ground-Water Resources and Prescribing Its Powers and Duties; and Making an Appropriation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1. Declaration of policy.** To meet the growing need for water for domestic, municipal, agricultural and industrial uses, it is necessary that the ground-water resources of the Territory be put to beneficial use to the fullest extent to which they are capable, that the threat of exhaustion, depletion, waste, pollution or deterioration by salt encroachment, and the unreasonable method of diversion, withdrawal or use of ground-water resources be prevented and that the supply and quality of such water resources be protected, conserved and controlled to assure their reasonable and beneficial use in the interest of the people of the Territory. It is therefore declared to be the policy of the Territory of Hawaii that (a) the development, utilization and control of all ground-water resources shall be directed to make the maximum contribution to the public benefit, (b) the ground-water resources of all areas must be regulated and protected from the threat of exhaustion, depletion, waste, pollution or deterioration by salt encroachment to assure adequate supplies for beneficial uses in the interests of the people, (c) the ground-water resources of certain areas under threat of exhaustion, depletion, waste, pollution or deterioration by salt encroachment must be protected, conserved and controlled to assure adequate supplies for beneficial uses in the interests of the people, (d) the Territory, in the exercise of its sovereign power, acting through the commission on water resources should control the development and use of the ground-water resources of the Territory in all areas and in areas where the supply is threatened with exhaustion, depletion, waste, pollution or deterioration by salt encroachment.

The Legislature hereby makes the following findings concerning the development utilization and control of the ground-water resources of the Territory:

(a) The development, utilization, and control of the ground-water resources of the Territory are vital to the people in order to assure adequate supplies for domestic, municipal, agricultural, industrial and other beneficial uses.

(b) The ground-water resources of the Territory must be regulated and protected for their best utilization, conservation and protection in order to prevent threat of exhaustion, depletion, waste, pollution or deterioration by salt encroachment.

(c) The ground-water resources of the Territory must be regulated and protected in areas where the supply is under threat of exhaustion, depletion, waste, pollution or deterioration by salt encroachment.

(d) The regulation of ground-water resources is essential to protect beneficial uses and to assure adequate supplies for beneficial users.

(e) The ground-water resources can best be utilized, conserved and protected if utilization thereof is restricted to beneficial uses and controlled by a territorial commission responsible for proper development and utilization of the ground-water resources of the Territory.

(f) Planning for the development and utilization of ground-water resources is essential in view of population growth and the expanding economic activity within the Territory.

**SECTION 2. Definitions.** In this Act, except where the context otherwise requires:



(a) "Beneficial use" means use of water, including the method of diversion, storage, transportation and application, that is reasonable and consistent with the public interest in the proper utilization of water resources, including, but not limited to, domestic, municipal, military, agricultural and industrial uses.

(b) "Commission" means the commission on water resources established by this Act.

(c) "Designated ground-water area" means an area in which the commission finds that the ground water must be regulated and protected for its best utilization, conservation and protection in order to prevent threat of exhaustion, depletion, waste, pollution or deterioration by salt encroachment or an area in which the commission finds that the ground water must be regulated and protected in order to protect the ground-water resources from exhaustion, depletion, waste, pollution or deterioration by salt encroachment.

(d) "Domestic use" means the use of water by an individual, or by a family unit or household for drinking, cooking, laundry, sanitation, and other personal comforts and necessities, for the watering of stock used in operating a farm or as food for the family or household, or for the irrigation of the lawn or family garden not exceeding one-half acre in area.

(e) "Emergency" means a shortage of ground water in any ground-water area, whether established as a designated ground-water area or not, which threatens the public health, safety and welfare.

(f) "Ground water" means any water found beneath the surface of the earth, whether in perched supply, dyke-confined, flowing or percolating in underground channels or streams, under artesian pressure or not, or otherwise.

(g) "Municipal use" means the use of water through public services available to the inhabitants of a community for the promotion and protection of their health, comfort and safety, for the protection of property from fire, and for the purposes listed under the term "domestic use".

(h) "Permit" means a permit issued upon application of a person in accordance with the provisions of this Act.

(i) "Person" imports the plural as well as the singular and includes governmental entities and agencies, public and private corporations, associations, estates and individuals.

(j) "Preserved use" means a use preserved under section 15 of this Act.

(k) "Shortage" means the absence of a sufficient quantity and quality of ground water in a designated ground-water area to supply lawful uses of water.

(l) "Time of taking" means, in view of the nature, manner, and purpose of a beneficial use of water, the most accurate method of describing the time when the water is taken, including description in terms of hours, days, weeks, months, or physical, operational, or other conditions.

(m) "Well" means an artificial excavation or opening into the ground, or artificial enlargement of a natural opening by which ground water is drawn or is capable of being drawn from the ground; the term includes, but is not limited to, circular, vertical, horizontal or approximately horizontal tunnels, and vertical or inclined shafts.

**SECTION 3. Regulations of ground-water resources.** The ground water of designated ground-water areas of the Territory is subject to regulation under the provisions of this Act. After the effective date of this Act,

no person shall make any use of the water of any designated ground-water area of the Territory except in compliance with the provisions of this Act. No right, title, or interest in the use of any of the ground-water resources of this Territory can be acquired by means of prescription. Nothing contained in this section or this Act, however, shall be construed as an admission or declaration on the part of the Territory of any prescriptive rights to ground water in favor of any private party.

**SECTION 4. Commission on ground-water resources.** There shall be a commission on ground-water resources to consist of five members who shall be appointed and may be removed by the governor in the manner provided by section 80 of the Hawaiian Organic Act. At least one member of the commission shall be a person qualified by training or experience in hydrology. In addition, the managing officer or engineer of the board of water supply or water department of the respective counties shall be ex-officio members without voting power. The governor shall also designate the first chairman. Not more than three of the members shall belong to the same political party.

The commissioners who are first appointed shall be designated by the governor to serve for terms of one, two, three, four and five years respectively from the date of their appointment. Thereafter, the term of office of each commissioner shall be five years, and until his successor has been appointed and has qualified. Vacancies shall be filled by the governor for the unexpired term. Three commissioners shall constitute a quorum. A commissioner shall receive no compensation for his services, but he shall be entitled to the necessary expenses, including traveling expenses incurred in the discharge of his duties.

When the office of the first chairman of the commission becomes vacant, the commission shall select a chairman from among its members. The commission shall select from among its members a vice-chairman, and it may appoint any officers and employees necessary to carry out the functions of the commission, and shall determine their qualifications, duties and compensation, subject to the provisions of chapters 3 and 4 as amended, of the Revised Laws of Hawaii 1955. The manager, chief engineer and staff of the Hawaii water authority are hereby required to make their records available to the commission and to perform the functions and duties delegated to them by the commission, provided that the commission reimburse the Hawaii water authority for costs and expenses incurred.

**SECTION 5. General powers.** To effectuate the provisions of this Act, the commission is authorized:

(a) To conduct, authorize, cooperate or contract for the conducting of scientific investigations, experiments and research and to collect data concerning the ground-water resources of the Territory through the Hawaii water authority and to reimburse the Hawaii water authority for such services;

(b) To enter at all reasonable times upon any and all public and private lands within the Territory without doing damage, for the purpose of conducting investigations and studies and inspecting water resources and their use;

(c) To establish and consult with advisory boards and/or water user associations; to advise and make recommendations to the commission on research, policies, administration and other matters; and to encourage and

promote agreements among users of ground water and to supply the parties to such agreements with information and advice in order to carry out the intent of this Act;

(d) To require reports, on forms furnished by the commission, from all owners or operators of wells, from all persons holding or claiming rights to withdraw or receive or use water from wells owned by others, and from all well drillers, whether such wells are located in the designated ground-water areas or not, providing all information on ground-water use that the commission shall deem necessary to further the purposes of this Act; and it shall be the duty of all such persons to make such reports to the commission at the times prescribed in its rules and regulations; and each such report shall contain a statement, signed by the person making the report, to the effect that the contents thereof are true to the best of his knowledge and belief;

(e) To designate ground-water areas for regulations, protection and control under this Act on its own initiation or upon petition by any interested person, where the commission, after conducting the scientific investigations and research mentioned in (a) and after public hearing and published notice thereof as herein provided, finds that any of the following conditions exist or may exist in the foreseeable future, and that such conditions will endanger the supply or condition of the water in such area: (1) the use of ground water exceeds the rate of recharge; (2) ground-water levels are declining or have declined excessively; (3) chloride content of the water is increasing to a level that materially reduces the value of the use to which the water is being put; (4) excessive preventable waste of water is occurring; (5) any proposed water development or developments which is constructed would in the opinion of the commission lead to one of the above conditions;

(f) To retain such establishment of a designated ground-water area so long as the factors justifying such designation remain in effect, provided, however, that whenever it may appear that such factors are no longer present, the commission, upon its own motion or a motion of any interested person, shall hold a public hearing for the purpose of determining whether or not the designation should be rescinded, and provided, further, that such hearing shall be called and conducted in the manner prescribed in this Act and no such rescission shall be or become effective until thirty days after the decision with respect thereto;

(g) To issue rules, regulations, or orders requiring the filing of plans, drawings, specifications, information, or reports regarding any aspect of water use, diversion, or acquisition by all users of water from designated ground-water areas regardless of whether the user is required to have a permit under this Act;

(h) To hold hearings upon matters pending before it for determination; provided that where a public hearing and published notice thereof are required, notice of the time, place and purpose of the hearing shall be published once each week for three successive weeks in a newspaper of general circulation in the appropriate county, the last publication to be not less than ten days nor more than thirty days before the date set for the hearing;

(i) To subpoena and compel the attendance of witnesses to any investigation, hearing, or proceeding before it, and the production of books, papers, and other evidence pertinent to any such matters; to administer oaths and examine witnesses under oath, and to authorize any of its members or

agents to do so. In the event of failure of any person to obey any such subpoena or to testify thereunder before the commission or before any member or agent of the commission authorized by it to take testimony, such person may be punished as for contempt of the circuit court, on application therefor by the commission to the court;

(j) To seek enforcement in the courts of the provisions of this Act or of any rule, regulation, or order of the commission;

(k) To intervene on behalf of the public in any suit in any court in which the control or withdrawal of any waters from any designated ground-water area or rights to their use shall be in issue;

(l) To require the cessation of waste of the water of any designated ground-water area, and the cessation of practices that result or are likely to result in the excessive or dangerous deterioration of the quality of any such water;

(m) To exercise its shortage and emergency authority under this Act.

**SECTION 6. Departmental cooperation.** The commission may, through the Hawaii water authority, request and receive from any department, division, board, bureau, commission, public body, or agency of the Territory or of any political subdivision thereof, or government of the United States of America or any of its agencies, or from any organization, incorporated or unincorporated, which has for its object the control or use of any of the water resources of the Territory, such assistance and data as will enable the commission to properly carry out its activities and effectuate its purposes hereunder. The commission shall provide for reimbursement of such agencies for special expenses resulting from expenditures not normally a part of the operating expenses of any such agency.

**SECTION 7. Rules and regulations.** (a) The commission may make, amend, and repeal, with the approval of the governor, such rules and regulations concerning notices, hearings, and proceedings, under this Act as it shall deem necessary for the accomplishment of its functions, and all such rules and regulations, when made or amended after a public hearing thereon, of which notice shall have been published as provided in section 7-30 of the Revised Laws of Hawaii 1955, shall have the force and effect of law.

(b) For purposes of rules, regulations, forms and orders, the commission may classify uses, sources, methods of development and other related matters within its jurisdiction and prescribe different requirements therefor.

**SECTION 8. Action of other government agencies and municipalities.** (a) No territorial or local governmental agency may enforce any ordinance, rule or regulation that affects the use of ground water from a designated ground-water area, whether promulgated before or after the effective date of this Act, unless the commission has approved the ordinance, rule or regulation.

(b) No territorial or local governmental agency or other person having the power of eminent domain or condemnation may exercise that power in respect to the taking of any rights to ground water from designated ground-water areas within the Territory unless written consent is obtained from the commission.

**SECTION 9. Investigations.** The commission may in its discretion: (a) make such investigations as it deems necessary, through the attorney

general, (1) to determine if any person has violated or is about to violate any provision of this Act or any rule, regulation or order of the commission, or (2) to aid in enforcing this Act or in formulating rules, regulations or orders;

(b) Require or permit any person to file a statement as to any facts and circumstances within his knowledge concerning the matter to be investigated; and

(c) Publish information concerning any investigation made pursuant to this Act.

**SECTION 10. Injunctions.** If it appears to the commission that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this Act or any rule, regulation or order of the commission, the commission may bring an action in the appropriate circuit court to enjoin any such acts or practices and to enforce compliance with this Act or any rule, regulation or order. Upon a proper showing, the court shall grant a restraining order, temporary or permanent injunction, or other appropriate relief. The commission shall not be required to post a bond.

**SECTION 11. Hearing procedures.** In all hearings required to be conducted under this Act: (a) The commission shall have authority to (1) administer oaths and affirmations, (2) issue subpoenas, (3) rule upon offers of proof and receive relevant evidence, (4) take or cause depositions to be taken, (5) regulate the course of the hearing, (6) hold conferences for the settlement or simplification of the issues by consent of the parties, (7) dispose of procedural requests or similar matters, (8) make findings of fact, determinations of law, conclusions, and the decision as to the subject matter of the hearing, and (9) take any other action authorized by commission rule consistent with this Act.

(b) Any oral or documentary evidence that the commission deems helpful may be received but the commission shall as a matter of policy provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. Parties to the hearing shall have the right to present their case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In a hearing on the initial application for a permit, the commission may adopt procedures for the submission of all or part of the evidence in written form only.

(c) The commission may take notice of judicially cognizable facts and in addition may take notice of general, technical, or scientific facts within its specialized knowledge. Parties shall be notified either before or during hearings, or by reference in preliminary reports or otherwise, of the material so noticed, and they shall be afforded an opportunity to contest the facts so noticed. The commission may utilize its experience, technical competence, and specialized knowledge in the evaluation of the evidence presented to it.

(d) The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, shall constitute the exclusive record for decision by the commission, and, upon payment of lawfully prescribed costs, shall be made available to the parties. The commission shall prepare an official record, which shall include findings of fact, determinations of law and the decision as to the subject matter involved, and the testimony and

exhibits, but it shall not be necessary to transcribe shorthand notes unless requested for court review.

**SECTION 12. Judicial review.** (a) Any person aggrieved by an order or decision of the commission may obtain a review of the order or decision in the circuit court of the judicial circuit in which the ground-water area affected by the order or decision is located by filing in the court within sixty days after the entry of the order or decision a written petition praying that the order or decision be modified or set aside in whole or in part.

(b) A copy of the petition shall be served upon the commission, and within thirty (30) days after service of the petition, or within such further time as the court may allow, the commission shall transmit to the court the original or a certified copy of the entire record upon which the order or decision was based; but, by stipulation of all parties to the review proceeding, the record may be shortened. Any party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional costs.

(c) On appeal, the findings of the commission as to the facts, if supported by substantial evidence in the record, are conclusive.

(d) The commencement of proceedings under this section shall not, unless specifically ordered by the court, operate as a stay of the commission's order or decision.

**SECTION 13. Continuation and initiation of domestic uses.**

(a) Domestic uses of ground water as defined in this Act, whether in a designated ground-water area or otherwise, being made at the effective date of this Act, may be continued and new domestic uses of ground water may be initiated after the effective date of this Act without the user being required to certify his use or to apply for a permit; provided, however, such user shall file such reports as are required by the commission.

(b) Where access to a suitable supply of ground water is available, new domestic uses may be initiated without regard to whether the taking for domestic use reduces the water supply or any preserved use or use made pursuant to a permit.

(c) No person making a domestic use may initiate an action in the courts to compel the reduction of any preserved use or use made pursuant to a permit granted prior to the initiation of the domestic use in order to make available a sufficient quantity of water for the domestic use.

**SECTION 14. Shortage and emergency powers.** Domestic uses shall be subject to the shortage and emergency powers of the commission under sections 33 and 34 of this Act.

**SECTION 15. Preservation of existing uses.** (a) The withdrawal of water directly from any designated ground-water area, which is a lawful and beneficial use, other than a domestic use, (1) being made at the effective date the commission designates a designated ground-water area, (2) to be in conjunction with facilities under construction at such date, or (3) made within the five years prior to such date, may be continued if the uses remain beneficial and if the user complies with the provisions of section 16. For the purposes of this Act the effective date shall be the date 90 days prior to the date the commission designates a designated ground-water area.

(b) Unless authorized by the commission, no use preserved in subsection (a) may be modified by increasing the quantity of water used or by

substantially changing the purpose or manner of the use, or the time of taking the water, or the point of diversion of the water from any designated ground-water area; provided, however, that any municipal corporation or person supplying a municipal corporation may increase its water use from such designated ground-water area up to one hundred thousand gallons, or five per cent, whichever is the greater, per day more than its average per day beneficial use during the year immediately prior to the date of establishment of a designated ground-water area without first receiving prior authorization from the commission.

(c) Uses preserved under subsection (a) may be conveyed to the same extent and in the same manner as they could prior to the effective date of this Act.

**SECTION 16. Certification of existing uses.** (a) After the commission has designated a ground-water area for protection and/or regulation, the commission shall require by rule any person making a use preserved under section 15(a) to file a declaration of his use with the commission within three months, or any extension thereof, after the effective date of the rule. In its rules requiring the filing of declarations of existing uses, the commission may divide the Territory into areas and prescribe different dates for filings from the various areas.

(b) Any person making a use preserved under section 15(a) may file a declaration of his use with the commission at any time prior to the required date for filing of such declaration.

(c) (1) When the commission requires filing of declarations of uses by rule, it shall cause notice of the rule to be given by publication once each week for the three weeks prior to the effective date of the rule in a newspaper of general distribution in the affected county. (2) The commission shall also cause notice of the rule to be given by registered or certified mail to any person required to file of whom the commission has or could readily obtain knowledge or who has requested mailed notice to be given when the commission adopted a rule requiring the filing of declarations.

(d) The declaration shall be in such form and contain such information as the commission by rule prescribes, including the quantity of water used, the purpose or manner of the use, the time of taking the water, and the point of diversion of the water.

(e) If no declaration is filed as required by rule of the commission, the commission, in its discretion, may conclusively determine the extent of the uses preserved under section 15(a).

(f) If the commission has not acted upon a declaration within six (6) months after its filing, the commission shall certify those uses described in the declaration.

(g) When uses preserved have been ascertained in accordance with the provisions of this section, the commission shall issue a certificate describing such uses and setting forth the maximum daily and annual drafts from each well. Such certificate shall be deemed to constitute a description of the use preserved pursuant to this Act, but shall not be deemed to constitute an adjudication of property rights, if any, to the water in the designated ground-water area.

(h) The commission shall hold a hearing upon the request of any person adversely affected by the certification or the refusal to certify any water use.

**SECTION 17. Exchange of preserved uses.** (a) Any person making a use preserved under section 15(a) may voluntarily exchange his preserved use for a permit.

(b) Whenever any person shall materially violate the provisions of section 15, the commission in its discretion, after giving notice by registered mail, and after a hearing may enter an order that the violation constitutes an offer of exchange under subsection (a).

**SECTION 18. Extinguishment of preserved uses.** All or any part of the uses preserved under section 15(a) shall be extinguished if they are not used for four consecutive years or for any five out of seven years. In computing the period: (1) years of non-use in the three years prior to the effective date of the establishment of a designated ground-water area shall be conclusively presumed to be years of non-use, (2) years of non-use caused by a shortage of water due to natural conditions will be considered neither years of use nor non-use, and (3) years during which a declaration was required to have been filed under section 16 but during which none was filed shall be conclusively presumed to be years of non-use.

**SECTION 19. Permits for ground water use.** After the commission has designated a ground-water area for protection and/or regulation, except in respect to domestic uses and uses preserved under section 15(a), a withdrawal of water directly from any designated ground-water area may be made only in accordance with a permit issued by the commission.

**SECTION 20. Permits to supply ground water.** (a) After the effective date of this Act, no territorial or local governmental agency shall contract to obtain ground water supply within a designated ground-water area from any person not holding a permit to supply water, unless permission is obtained from the commission by such territorial or local governmental agency.

(b) After the effective date of this Act, no person shall contract to supply or sell the rights to ground water from a designated ground-water area to another person unless permission is obtained from the commission by the supplier or seller.

(c) Permission required by this section shall not be withheld except for good cause and shall be deemed granted unless the commission shall act or commence hearings thereon within ninety days after application therefor.

**SECTION 21. Applications and notice.** (a) Each application for a permit required under this Act shall be in writing and shall state specifically the information determined by commission rule or regulation to be necessary to determine (1) the merits of the water use, (2) the hazards to public health, safety or welfare, (3) the desirability of the permit, and (4) any qualifications of the applicant the commission deems appropriate to effectuate the provisions of this Act.

(b) At least ten days prior to the granting of any permit, the commission shall cause notice of the application to be given by publication



at the applicant's expense in a newspaper of general distribution in each county in which the water resources will be substantially affected by the granting of the permit. The commission, by rule, regulation or order, may also require the applicant to mail notices of the application to any territorial or local governmental agency or other person who may have an interest in the application.

**SECTION 22. Granting of permits.** (a) In granting permits and determining the duration of permits, the commission shall have as its objective the most beneficial use of the ground-water resources of the Territory.

(b) Permits may be granted if: (1) there is water available for use; (2) the use of the water will be beneficial; (3) the most beneficial use and development of the water resources of the Territory will not be impaired by granting the permit; and (4) granting the permit will not substantially and materially interfere with preserved uses, or with domestic or permitted uses made previously, except as provided in this Act.

(c) Permits may be granted without regard to whether, under the law operative in the Territory prior to the date of designation of a designated ground-water area, the use made under the permit could have been maintained only in connection with specific lands or otherwise.

(d) The commission shall hold a hearing upon the request of any person who is or may be adversely affected by the granting or denial of a permit.

**SECTION 23. Classes of permits.** The commission is authorized: (1) to establish classes of permits, and (2) to exempt for specific periods minimal quantities of water or types of water uses or users in specified areas from the requirement of a permit when the commission finds that such exemptions do not constitute an unreasonable impediment to the most beneficial use of the ground-water resources of the Territory.

**SECTION 24. Duration of permits.** Each permit shall be issued for a specified period, not exceeding fifty years, as determined by rule, regulation or order of the commission, depending upon the manner and nature of the water use involved.

**SECTION 25. Conditions of permits.** Each permit granted by the commission shall contain and be subject to the following conditions:

(a) The water must be used for the beneficial purpose described in the permit;

(b) The use authorized by the permit must not interfere substantially and materially with preserved uses or with domestic or permitted uses made previously, except as provided in this Act;

(c) The use is subject to the shortage and emergency powers of the commission;

(d) The permit may be suspended or revoked in accordance with the provisions of this Act; and

(e) Such other conditions as the commission may establish by rule or regulation to effectuate the provisions of this Act.

**SECTION 26. Permits interfering with preserved, domestic or permitted uses.** Where application is made for a permit and there is sufficient water available, but the use under the permit would interfere substantially

and materially with a domestic use previously initiated, or with the ground-water supply, or water diversion facilities of a preserved use or a use made under a permit previously granted, the commission may issue a permit subject to the condition that the permit holder furnish to the person whose use is interfered with water equal in quantity and comparable in quality to that lost by reason of the interference.

**SECTION 27. Compulsory relinquishment of permits.** Unless a specific exemption is authorized by the commission, each permit shall provide, as a condition, that at any time or at a specified time after issuance of the permit the permit holder may be required, upon receipt of reasonable compensation, to relinquish to the commission his permit if the commission determines that (1) there exist one or more applicants for permits to make water uses which would be more beneficial, or which would be as beneficial and would provide a more complete utilization of the available water, than the permit holder is making; (2) additional permits to make such uses cannot be granted without acquiring the water use permit because there is no reasonably available water; and (3) the applicants are willing and able to furnish reasonable compensation to the permit holder.

**SECTION 28. Renewal of permits.** (a) A permit holder may file an application for a renewal of the permit after one-half the length of the period of the existing permit has expired. Renewed permits shall take effect immediately upon being granted by the commission.

(b) If a permit has been issued for a period exceeding one year, and no application for renewal has been filed six months before the expiration of the permit, the commission after thirty days written notice to the permit holder during which time such permit holder may file an application for renewal may proceed immediately to grant to another person a permit to use the water being used pursuant to the existing permit, and to become effective upon the expiration of the existing permit.

(c) The commission shall hold a hearing upon the request of any person adversely affected by the renewal or refusal to renew a permit.

**SECTION 29. Revocation of permits.** (a) A permit may be revoked in whole or in part: (1) for any material false statement in the application or in any report or statement of fact required pursuant to the provisions of this Act; (2) for violation of the provisions of this Act; (3) for violation of the conditions of the permit, or (4) for non-use.

(b) In any proceeding to revoke a permit in whole or in part, the commission shall give written notice to the permit holder of the facts or conduct which may warrant such action and provide opportunity for a hearing.

**SECTION 30. Injunctions.** Except as provided in this Act, no court may enjoin the use of water by any person who holds a valid permit for such use.

**SECTION 31. Injury to property rights, damages.** If the use authorized under a permit results in an injury to any property rights, the injured person is entitled to compensation for actual damages in a suitable action at law against the permit holder.

**SECTION 32. Fees for permits.** The commission is authorized to establish fees for the issuance of permits under this Act. In determining the amount of fees the commission shall consider the class of the permit, the

duration of the permit, the capital investment made or to be made by the permit holder, the quantity or nature of the water use, and other factors the commission deems relevant or material in the determination of a reasonable fee. The fee may be waived, in the discretion of the commission if the permit holder has agreed to convey any rights having substantial value to the Territory.

**SECTION 33. Water shortages.** (a) If a shortage of water exists in any designated ground-water area of the Territory, the commission may, after public hearing and published notice thereof as herein provided, in order to obtain the most beneficial use of the water resources of the Territory and to protect the public health, safety, and welfare and the interests of the water users affected:

(1) establish rules, regulations, or orders affecting the use of ground water, as the conditions warrant, and forbidding the construction of new diversion facilities or wells, the initiation of new water uses, or the modification of any existing uses, diversion facilities, or storage facilities within the affected area;

(2) regulate the use of ground water within the affected area by apportioning, limiting, or rotating uses of water, or by preventing those uses which the commission finds have ceased to be reasonable or beneficial, but (i) domestic, municipal and military uses shall always be preferred to other uses; (ii) preserved uses shall always be preferred to uses made pursuant to permits; and (iii) among permitted uses which are substantially similar, the commission shall give preference to uses initiated prior in time unless the commission determines that such preference would impair or be detrimental to the public interest in the utilization of water resources; and

(3) make other rules, regulations and orders necessary for the preservation of the public health, safety and welfare and the interest of affected water users.

(b) On the motion of any affected person, the commission shall set a time and place of a hearing to determine whether any rules, regulations, or orders established under this section shall be amended, repealed or revoked.

**SECTION 34. Emergency powers.** (a) If any emergency exists within any ground-water area of the Territory whether designated or not, and if the commission finds that the exercise of its powers under section 33 will not protect the public health, safety and welfare, the commission, after public hearing and published notice thereof as herein provided, may:

(1) Establish rules, regulations, or orders limiting, apportioning, rotating, or prohibiting the use of the water resources in the affected ground-water areas of the Territory;

(2) Authorize any affected territorial or local governmental agency or public water supplier to enter upon public or private lands in any ground-water area and remove any amount of ground water necessary to protect the public health, safety and welfare, provided that, if such entry or taking interferes with any property right other than any right which may be acquired under this Act due compensation shall be payable; and

(3) Designate the ground-water area for regulation in accordance with section 5(e) and may:

(4) Make other rules, regulations, and orders necessary with respect to such ground-water areas to protect the public health, safety and welfare during the emergency.

(b) On the motion of any affected person, the commission shall set a time and place of a hearing to determine whether the emergency has terminated or whether any rules, regulations or orders entered during the emergency should be amended, repealed or revoked.

(c) The authority granted the commission under this section is in addition to the authority granted under other provisions of this Act.

**SECTION 35. Reports to the Legislature.** The commission shall, at the beginning of each regular legislative session, file with the Legislature a report of its operations under this chapter, not previously reported to the Legislature, and shall make any recommendations with reference to such legislation or other action as may be required to carry out the purpose of this chapter. The commission, in its recommendations to the Legislature, shall give particular attention to plans prepared in accordance with sections 5 and 6 for the conservation and development of such water resources by recharge of water basins from surplus or wasted waters, by the use of check dams in streams to prevent waste, or otherwise.

**SECTION 36. Short title.** This Act may be cited as Ground-Water Use Act.

**SECTION 37. Effect on other statutes.** This Act is not intended to repeal chapter 101 or sections 152-30 to 152-40, inclusive, of the Revised Laws of Hawaii 1955. In the event of conflict, this Act, and rules and regulations established hereunder, shall prevail.

**SECTION 38. Appropriation.** There is hereby appropriated the sum of \$25,000 out of the general revenues of the Territory not otherwise appropriated, for the payment of the current expenses of the commission.

**SECTION 39. Severability.** If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

**SECTION 40. Time of taking effect.** This Act shall take effect upon its approval.

(Approved June 12, 1959.) **S.B. 8.**

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## ACT 275

An Act Relating to the Distribution, Sale and Importation of Commercial Feeds; Repealing Part I, Section 24-1 to Section 24-10 and Part II, Section 24-20 to Section 24-29 of Chapter 24, Revised Laws of Hawaii 1955; Conferring Certain Powers and Imposing Certain Duties on the Board of Commissioners of Agriculture and Forestry and the Director of the Division of Entomology and Marketing of Said Board; Providing for the Registration and Labeling of and

Assessment of Inspection Fees on Commercial Feeds; and Providing Penalties.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 24-1 to 24-10, Part I and sections 24-20 to 24-29, Part II of Chapter 24, Revised Laws of Hawaii 1955, are hereby repealed, and the following numbered sections substituted in lieu thereof:

**"Sec. 24-1. Subtitle.** Feedingstuffs, in Chapter 24 of the Revised Laws of Hawaii 1955 may be cited as the Hawaii Feed Law of 1959.

**Sec. 24-2.** This Act shall be administered by the Board of Commissioners of Agriculture and Forestry, hereinafter referred to as the 'board'.

**Sec. 24-3. Definitions.** When used in this Act:

(a) The term 'Director' means the director of the Division of Entomology and Marketing of the board or his authorized representative.

(b) The term 'Distribute' means to offer for sale, sell, barter, or otherwise supply commercial feeds or custom-mixed feeds. The term 'Distributor' means any person who distributes.

(c) The term 'Sell' or 'Sale' includes exchange.

(d) The term 'Official name' of a feed ingredient means the name of a feed ingredient which is defined in the current official publication of the Association of American Feed Control Officials, Incorporated.

(e) The term 'Commercial Feed' means all materials which are designed to be used for the purpose of feeding poultry, rabbits, and livestock other than dogs, cats or other domestic pets and which are distributed or imported except:

(1) Unmixed whole seed and meals made directly from entire seeds.

(2) Unground hay.

(3) Whole or ground straw, silage, cobs, cane bagasse, stover and hulls when not mixed with other materials.

(4) Wet garbage.

(5) Individual chemical compound when not mixed with other material.

(6) Unmixed feeding cane molasses and unmixed pineapple pulp.

(f) The term 'Feed ingredient' means each of the constituent materials making up a commercial feed.

(g) The term 'Custom-mixed feed' means a special commercial feed mixture which is formulated by the manufacturer or processor in accordance with the specific instructions of the final purchaser and contains feed material or materials wholly or partly supplied by such manufacturer or processor.

(h) The term 'Toll-milled feed' means a special feed which is processed by the processor (1) from material or materials entirely delivered by the owner thereof or his authorized agent and (2) in accordance with the specific instructions of such owner, and which is not distributed.

(i) The term 'Brand' of a feed means one which differs from any other in guaranteed analysis, ingredient, trademark, name or any other characteristic method of marking of any nature whatsoever.

(j) The term 'Label' means a display of written, printed, or graphic matter upon or affixed to the container in which a commercial feed is

distributed or imported, or on the invoice or delivery slip with which a commercial feed or custom-mixed feed is distributed or imported.

(k) The term 'Ton' means a net weight of two thousand pounds avoirdupois.

(l) The terms 'Percent' or 'Percentage' mean percentage by weight.

(m) The term 'Official sample' means any sample of feed taken by the board or its agent and designated as 'official' by the board.

(n) The term 'Commercial mixed feed' means a commercial feed which is a mixture or blend of more than one feed ingredient.

(o) The term 'Commercial simple feed' means a commercial feed that consists of only one feed ingredient.

#### **Sec. 24-4. Registration.**

(a) Each commercial feed shall be registered before being distributed in this Territory or imported; provided, that custom-mixed feed and toll-milled feed are exempt from registration. The application for registration shall be submitted on forms furnished by the board, and, if the board so requests, shall also be accompanied by a label or other printed matter describing the product. Initial registration under this Act shall begin on July 1, 1959 and expire on December 31, 1960, effective for one and one half years. All subsequent registrations shall be effective for one year beginning January 1 and expiring December 31 of each year. A registration fee of \$10.00 shall be paid to the board for each commercial feed registered. Each registration may be renewed for one year by the payment of a fee of \$10.00. Upon approval by the board a copy of the registration shall be furnished to the applicant. The application shall include the information required by subdivisions (2), (3), (4), and (5) of paragraph (a) of section 24-5 hereunder.

(b) A distributor shall not be required to register any brand of commercial feed which is already registered under this Act by another person.

(c) Changes in the guarantee of either chemical or ingredient composition of a registered commercial feed may be permitted provided there is satisfactory evidence that such changes would not result in a lowering of the feeding value of the product for the purpose for which designed.

(d) The board is empowered to refuse registration of any application not in compliance with the provisions of this Act and to cancel any registration subsequently found not to be in compliance with any provision of this Act; provided, however, that no registration shall be refused or cancelled until the registrant shall have been given opportunity to be heard before the board and to amend his application in order to comply with the requirements of this Act.

#### **Sec. 24-5. Labeling.**

(a) Any commercial feed, other than custom-mixed or toll-milled feed, distributed in this Territory or imported shall be accompanied by a legible label bearing the following information:

(1) The net weight.

(2) The name or brand under which the commercial feed is sold.

(3) The guaranteed analysis of the commercial feed, listing the minimum percentage of crude protein, minimum percentage of crude fat, maximum percentage of crude fiber, and maximum percentage of ash. For mineral feeds, the list shall include the following if added:

Minimum and maximum percentage of calcium (Ca), minimum percentage of phosphorus (P), minimum percentage of iodine (I), and minimum and maximum percentages of salt (NaCl). Other substances or elements, determinable by laboratory methods, may be guaranteed by permission of the board. When any items are guaranteed, they shall be subject to inspection and analysis in accordance with the methods and regulations that may be prescribed by the board. Products sold solely as mineral and/or vitamin supplements and guaranteed as specified in this section need not show guarantees for protein, fat, fiber and ash but must be labeled with adequate feeding or mixing directions.

(4) The common or official name of each ingredient used in the manufacture of the commercial feed, except as the board may, by regulation, permit the use of a collective term for a group of ingredients all of which perform the same function.

(5) The name and principal address of the person responsible for distributing the commercial feed.

(b) When a commercial feed is distributed in this Territory in bags or other containers, the label shall be placed on or affixed to the container; when a commercial feed is distributed in bulk the label shall accompany delivery and be furnished to the purchaser at time of delivery.

(c) A custom-mixed feed shall be labeled by numbered invoice. The invoice, which is to accompany delivery and be supplied to the purchaser at the time of delivery, shall bear the following information:

- (1) Name and address of the mixer.
- (2) Name and address of the purchaser.
- (3) Date of sale.

(4) Brand name and number of pounds of each registered commercial feed used in the mixture and the name and number of pounds of each other feed ingredient added.

(5) The term 'Custom-mixed feed'.

(d) A toll-milled feed shall be labeled with the term, 'Toll-milled Feed' and the name and address of the owner thereof.

(e) If a commercial, custom-mixed or toll-milled feed contains (1) a nonnutritive substance which is intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease or which is intended to affect the structure or any function of the animal body or (2) a food additive, the board may require the label of the commercial or toll-milled feed, or the invoice of the custom-mixed feed to show the amount present, directions for use, and/or warnings against misuse of the feed.

(f) Whenever a manufacturer, processor, mixer or distributor of feed makes a claim or guarantee relative to the content of such feed on or with the package containing same, which claim or guarantee is in addition to those required by law, he shall be responsible for maintaining such claim or guarantee, and may be required to submit information and records pertinent to such claim or guarantee.

#### **Sec. 24-6. Inspection fees.**

(a) There shall be paid to the board for all commercial feeds distributed or imported for use or sale in this Territory an inspection fee at the rate of twenty cents per ton for commercial mixed feeds and at the rate of ten cents per ton for commercial simple feeds; provided, that custom-mixed feeds are hereby exempted if the inspection fee is

paid on the commercial feeds which they contain; and provided, further, that sales of commercial feeds to manufacturers or exchanges between them are hereby exempted if the commercial feeds so sold or exchanged are used solely in manufacture of feeds which are registered; and provided, further, that any distributor may pay an annual registration fee of twenty-five dollars (\$25.00) for each brand of commercial feed distributed in individual packages of 10 pounds or less, and the distributor of such brand shall not be required to pay the inspection fee on such packages of the brand so registered; and provided, further, that toll-milled feeds are exempted. All fees collected shall constitute a fund for the payment of the costs of inspection, sampling, and analysis, and other expenses necessary for the administration of this Act, and shall be deposited with the territorial treasurer in the Marketing Inspection and Agriculture Control Fund.

(b) Every person, except as hereinafter provided, who distributes or imports for use or sale commercial or custom-mixed feed in this Territory shall:

(1) File, not later than the last day of January, last day of April, last day of July, and last day of October of each year, a quarterly statement, setting forth the number of net tons of commercial or custom-mixed feeds distributed or imported in this Territory during the preceding calendar quarter; and upon filing such statement shall pay the inspection fee at the rate stated in paragraph (a) of this section. When more than one person is involved in the distribution or importation of a commercial feed, the person who imports or distributes to the consumer is responsible for reporting the tonnage and paying the inspection fee unless the report and payment have been made by a prior distributor, seller or exporter of the feed. If the inspection fee has been paid on a commercial simple feed which is subsequently converted into a mixed feed for distribution, the person responsible for the mixing shall be required to pay an additional fee of ten cents per ton on the amount of simple feed that has been so converted.

(2) Keep such records as may be necessary or required by the board to indicate accurately the tonnage of commercial or custom-mixed feed distributed in this Territory, and the board, which may act through the director or its authorized agent, shall have the right to examine such records to verify statements of tonnage. Failure to make an accurate statement of tonnage or to pay the inspection fee or comply as provided herein shall constitute sufficient cause for the cancellation of all registrations on file for the distributor.

(c) The board may require the filing of further reports with respect to importation of commercial or custom-mixed feeds by carriers, seller's agent and named consignees.

#### **Sec. 24-7. Adulteration.**

No person shall distribute or import an adulterated feed. A commercial, custom-mixed or toll-milled feed shall be deemed to be adulterated:

(a) If any poisonous, deleterious or nonnutritive ingredient has been added in sufficient amount to render it injurious to health when fed in accordance with directions for use on the label.



(b) If any valuable constituent has been in whole or in part omitted or abstracted therefrom or any less valuable substance substituted therefor.

(c) If its composition or quality falls below or differs from that which it is purported or is represented to possess by its labeling.

(d) If it contains added hulls, screenings, straw, cobs, or other high fiber material unless the name of each material and its percentage are stated prominently in the brand name.

(e) If it has been rendered poisonous or injurious to animals by some substance, device, or physical or other factors in the process of manufacture, packing, transportation or storage.

**Sec. 24-8. Misbranding.**

No person shall distribute or import misbranded feed. A commercial, toll-milled or custom-mixed feed shall be deemed to be misbranded:

(a) If its labeling is false or misleading in any particular.

(b) If it is distributed under the name of another feed.

(c) If it is not labeled as required in sec. 24-5 and in regulations prescribed under this Act.

(d) If it purports to be or is represented as a feed ingredient, or if it purports to contain or is represented as containing a feed ingredient, unless such feed ingredient conforms to the definition of identity, if any, prescribed by regulation of the board; in the adopting of such regulations the board shall give due regard to commonly accepted definitions such as those issued by the Association of American Feed Control Officials.

(e) If any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

**Sec. 24-9. Prohibited act.**

The following acts and the causing thereof within this Territory by any person are hereby prohibited:

(a) The refusal to permit entry upon any public or private premises including any vehicle of transport during business hours in order that the board or its authorized agents can have access to any feed and to records relating to such feed.

(b) The distribution of any toll-milled feed.

(c) The redistribution of any custom-mixed feed.

(d) The distribution within the Territory or importation into the Territory of commercial feeds, other than custom-mixed feed, which have not been registered in the manner provided in this Act.

(e) The distribution within this Territory or importation into the Territory of commercial or custom-mixed feeds which have not been labeled in the manner provided in this Act.

(f) The storage or transportation of toll-milled feeds which have not been labeled in the manner provided in this Act.

**Sec. 24-10. Inspection, Sampling, Analysis.**

(a) It shall be the duty of the board, which may act through its authorized agent, to sample, inspect, make analyses of, and test commercial, custom-mixed or toll-milled feeds at such time and place to

such an extent as it may deem necessary to determine whether such feeds are in compliance with the provisions of this Act. The board individually or through its agent, is authorized to enter upon any public or private premises including any vehicle of transport during business hours in order to have access to commercial, custom-mixed and toll-milled feeds and to records relating to distribution and mixing of such feeds at such time and place to such an extent as it may deem necessary to determine whether such feeds and records are in compliance with the provisions of this Act.

(b) The methods of sampling and analysis shall be those adopted by the board from sources such as the Journal of the Association of Official Agricultural Chemists. A sample taken shall be divided into two approximately equal parts. Each part shall then be sealed and one part may be delivered to the person having registered the type or brand of feed, or if not registered, to the owner thereof, and the other to a chemist designated by the board. The Chemist who makes the analysis shall return to the director three certified copies of his findings. The director shall forward one copy of the findings to the person having registered the type or brand of commercial feed and another copy to the person owning the feed from which the sample had been drawn.

(c) The board, in determining for administrative purposes whether a feed is deficient in any component, shall be guided solely by the official sample obtained and analyzed as provided for in paragraph (b) of this section.

#### **Sec. 24-11. Rules and Regulations.**

The board is hereby charged with the enforcement of this Act, and after due public hearing is empowered to promulgate and adopt such rules and regulations as may be necessary in order to secure the efficient administration of this Act. Publicity concerning the public hearing shall be reasonably calculated to give interested parties adequate notice and adequate opportunity to be heard.

#### **Sec. 24-12. 'Stop-distribution'.**

(a) When the board or its authorized agent has reasonable cause to believe any lot of feed is being distributed in violation of any of the provisions of this Act or of any of the prescribed regulations under this Act, it may issue and enforce a written or printed 'stop-distribution' order, warning the distributor not to dispose of the lot of feed in any manner until written permission is given by the board or the Circuit Court. The board shall release the lot of feed so withdrawn when said provisions and regulations have been complied with. If compliance is not obtained within 30 days, the board may begin, or upon request of the distributor or owner shall begin, proceedings for condemnation.

(b) Condemnation and Confiscation. Any lot of feed not in compliance with said provisions and regulations shall be subject to seizure on complaint of the board to a court of competent jurisdiction in the area in which said feed is located. In the event the court finds the said feed to be in violation of this Act and orders the condemnation of said feed, it shall be disposed of in any manner consistent with the quality of the feed and the laws of the Territory: Provided, that in no instance shall the disposition of said feed be ordered by the court without first giving the claimant an opportunity to apply to the court for release of

said feed or for permission to process or relabel said feed to bring it into compliance with this Act.

**Sec. 24-13. Penalties.**

(a) Any person convicted of violating any of the provisions of this Act or the rules and regulations issued thereunder or who shall impede, obstruct, hinder, or otherwise prevent or attempt to prevent said board or its duly authorized agent in performance of his duty in connection with the provisions of this Act, shall be adjudged guilty of a misdemeanor and shall be fined not less than \$50.00 or more than \$100.00 for the first violation, and not less than \$100.00 or more than \$500.00 for a subsequent violation. In all prosecutions under this Act involving the composition of a lot of feed, a certified copy of the official analysis signed by the chemist shall be accepted as prima facie evidence of the composition.

(b) Nothing in this Act shall be construed as requiring the board or its representative to report for prosecution or for the institution of seizure proceedings as a result of minor violations of the Act when he believes that the public interest will be best served by a suitable notice of warning in writing.

(c) It shall be the duty of each county attorney to whom any violation is reported to cause appropriate proceedings to be instituted and prosecuted in a court of competent jurisdiction without delay. Before the board reports a violation for such prosecution, an opportunity shall be given the distributor or owner to present his view to the board.

(d) The board is hereby authorized to apply for and the court to grant a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of this Act or any rule or regulation promulgated under the Act notwithstanding the existence of other remedies at law. Said injunction to be issued without bond.

(e) Any person adversely affected by an act, order or ruling made pursuant to the provisions of this Act may within 45 days thereafter bring action in the Circuit Court for new trial of the issues bearing upon such act, order or ruling, and upon such trial the Court may issue and enforce such orders, judgments or decrees as the Court may deem proper, just and equitable.

**Sec. 24-14. Publications.**

The board shall publish at least annually in such forms as it may deem proper, information concerning the distribution of feeds, together with such data on their production and use as it may consider advisable and a report of the results of the analyses of official samples of feeds distributed within the Territory as compared with the analyses guaranteed in the registration and on the label; provided, however, that the information concerning production and use of feeds shall not disclose the operations of any person.

**Sec. 24-15. Constitutionality.**

If any clause, sentence, paragraph, or part of this Act shall for any reason be judged invalid by any Court of competent jurisdiction, such judgment shall not affect, impair, or invalidate the remainder thereof but shall be confined in its operation to the clause, sentence, paragraph

or part thereof directly involved in the controversy in which such judgment shall have been rendered."

SECTION 2. This Act shall take effect on July 1, 1959.

(Approved June 12, 1959.) **S.B. 1219.**

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**ACT 276**

An Act Amending the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as Amended by Act 1, Special Session Laws of 1957) to Permit an Election by Certain Small Business Corporations as to Taxable Status.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended by inserting therein a new Part III-A to read as follows:

**"PART III-A. ELECTION BY SMALL BUSINESS CORPORATION.**

**Sec. 121-24.1. Small business corporation defined, etc.** (a) For purposes of this part, the term 'small business corporation' means a domestic corporation which is not a member of an affiliated group (as defined in section 1504 of the Internal Revenue Code, said section being applicable for this purpose though not generally applicable), which is taxable upon its entire income without regard to source in the Territory, and which does not:

- (1) have more than 10 shareholders;
- (2) have as a shareholder a person (other than an estate) who is not an individual;
- (3) have a nonresident as a shareholder;
- (4) have as a shareholder a resident who is entitled to the benefit of the provisions of section 121-3(a) as to individuals taking up residence in the Territory after attaining the age of 65 years, unless such shareholder shall have waived the benefit of those provisions as to income includible in his gross income under this part and as to such gross income shall have consented to the taxation thereof in the same manner as if such shareholder had taken up residence in the Territory before attaining the age of 65 years; and

- (5) have more than one class of stock.

(b) For purposes of this part, the term 'electing small business corporation' means, with respect to any taxable year, a small business corporation which has made an election under section 121-24.2(a) which, under section 121-24.2, is in effect for such taxable year.

**Sec. 121-24.2. Election by small business corporation.** (a) Eligibility. Except as provided in subsection (f), any small business corporation may elect, in accordance with the provisions of this section, not to be subject to the taxes imposed by this chapter. Such election shall be valid only if all persons who are shareholders in such corporation:

(1) On the first day of the first taxable year for which such election is effective, if such election is made on or before such first day, or

(2) on the day on which the election is made, if the election is made after such first day,  
consent to such election.

(b) Effect. If a small business corporation makes an election under subsection (a), then:

(1) with respect to the taxable years of the corporation for which such election is in effect, such corporation shall not be subject to the taxes imposed by this chapter and, with respect to such taxable years and all succeeding taxable years, the provisions of section 121-24.7 shall apply to such corporation, and

(2) with respect to the taxable years of a shareholder of such corporation in which or with which the taxable years of the corporation for which such election is in effect end, the provisions of sections 121-24.3, 121-24.4 and 121-24.5 shall apply to such shareholder, and with respect to such taxable years and all succeeding taxable years, the provisions of section 121-24.6 shall apply to such shareholder.

(c) Where and how made.

(1) In general. An election under subsection (a) may be made by a small business corporation for any taxable year at any time during the first month of such taxable year, or at any time during the month preceding such first month. Such election shall be made in such manner as the commissioner shall prescribe.

(2) Taxable years beginning before date of enactment. An election may be made under subsection (a) by a small business corporation for its first taxable year which begins after December 31, 1958, and on or before the date of the enactment of this part, and ends after such date at any time:

(A) within the 90-day period beginning on the day after the date of the enactment of this part, or

(B) if its taxable year ends within such 90-day period, before the close of such taxable year.

An election may be made pursuant to this paragraph only if the small business corporation has been a small business corporation (as defined in section 121-24.1(a) on each day after the date of the enactment of this part and before the day of such election.

(d) Years for which effective. Subject to the provisions of this subsection, an election under subsection (a) shall be effective for the taxable year of the corporation for which it is made and for all succeeding taxable years of the corporation, unless it is terminated, with respect to any such taxable year, under subsection (e).

An election under subsection (a) shall not be effective for any taxable year of the corporation unless there also is in effect for that taxable year of the corporation, for federal purposes, an election under subchapter S of chapter 1 of the Internal Revenue Code of 1954 as the same has or may be amended for federal purposes.

(e) Termination.

(1) New shareholders. An election under subsection (a) made by a small business corporation shall terminate if any person who was not a shareholder in such corporation:

(A) on the first day of the first taxable year of the corporation for which the election is effective, if such election is made on or before such first day, or

(B) on the day on which the election is made, if such election is made after such first day, becomes a shareholder in such corporation and does not consent to such election within such time as the commissioner shall prescribe. Such termination shall be effective for the taxable year of the corporation in which such person becomes a shareholder in the corporation and for all succeeding taxable years of the corporation.

(2) Revocation. An election under subsection (a) made by a small business corporation may be revoked by it for any taxable year of the corporation after the first taxable year for which the election is effective. An election may be revoked only if all persons who are shareholders in the corporation on the day on which the revocation is made consent to the revocation. A revocation under this paragraph shall be effective:

(A) for the taxable year in which made, if made before the close of the first month of such taxable year,

(B) for the taxable year following the taxable year in which made, if made after the close of such first month, and for all succeeding taxable years of the corporation. Such revocation shall be made in such manner as the commissioner shall prescribe.

(3) Ceases to be small business corporation. An election under subsection (a) made by a small business corporation shall terminate if at any time:

(A) after the first day of the first taxable year of the corporation for which the election is effective, if such election is made on or before such first day, or

(B) after the day on which the election is made, if such election is made after such first day, the corporation ceases to be a small business corporation (as defined in section 121-24.1(a)). Such termination shall be effective for the taxable year of the corporation in which the corporation ceases to be a small business corporation and for all succeeding taxable years of the corporation.

(4) Certain income. An election under subsection (a) made by a small business corporation shall terminate if, for any taxable year of the corporation for which the election is in effect, such corporation has gross receipts more than 20 per cent of which is derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities (gross receipts from such sales or exchanges being taken into account for purposes of this paragraph only to the extent of gains therefrom.) Such termination shall be effective for the taxable year of the corporation in which it has gross receipts of such amount, and for all succeeding taxable years of the corporation.

(f) Election after termination. If a small business corporation has made an election under subsection (a) and if such election has been terminated or revoked under subsection (e), such corporation (and any successor corporation) shall not be eligible to make an election under subsection (a) for any taxable year prior to its fifth taxable year which begins after the first taxable year for which such termination or revocation is effective, unless the commissioner consents to such election.

**Sec. 121-24.3. Corporation undistributed taxable income taxed to shareholders.** Subject to the other provisions of this chapter, the undistributed taxable income of an electing small business corporation for any taxable year shall be included in the gross income of the shareholders of such corporation in the manner and to the extent set forth in section 1373 of the Internal Revenue Code of 1954, as amended by Public Law 85-866, for which purpose section 1373(d) (1) shall be deemed to refer to section 121-5(d) of this chapter and section 1373(d) (2) shall be deemed to refer to section 121-5(c) of this chapter.

**Sec. 121-24.4. Corporation net operating loss allowed to shareholders.** Subject to the other provisions of this chapter, a net operating loss of an electing small business corporation for any taxable year shall be allowed as a deduction from gross income of the shareholders of such corporation in the manner and to the extent set forth in section 1374 of the Internal Revenue Code of 1954, as amended by Public Law 85-866, including however, section 1374(d) (2), which is inapplicable. The net operating loss of the corporation, so allowed as a deduction of the shareholders, shall be determined as provided in section 121-5(d).

**Sec. 121-24.5. Special rules applicable to distributions of electing small business corporations.** Subject to the other provisions of this chapter, long-term capital gain treatment shall be given in the manner and to the extent set forth in section 1375(a), dividends may be apportioned or allocated by the commissioner as provided by section 1375(c), and distributions of taxable income for prior years may, subject to regulations of the commissioner, be made in the manner and with the effect set out in section 1375(d), of the Internal Revenue Code of 1954, as amended by Public Law 85-866.

**Sec. 121-24.6. Adjustment to basis of stock of, and indebtedness owing, shareholders.** Subject to the other provisions of this chapter, the basis of a shareholder's stock shall be increased or reduced, and the basis of any indebtedness of an electing small business corporation to a shareholder shall be reduced, in the manner and to the extent set out in section 1376 of the Internal Revenue Code of 1954, as amended by Public Law 85-866.

**Sec. 121-24.7. Special rules applicable to earnings and profits of electing small business corporations.** Subject to the other provisions of this chapter, the earnings and profits and the accumulated earnings and profits of an electing small business corporation shall be reduced, or on the other hand not affected, in the manner and to the extent set out in section 1377 of the Internal Revenue Code of 1954, as amended by Public Law 85-866.

**Sec. 121-24.8. Return of electing small business corporation.** Every electing small business corporation (as defined in section 121-24.1) shall make a return for each taxable year, stating specifically the items of its gross income and the deductions allowable by this chapter, the names and addresses of all persons owning stock in the corporation at any time during the taxable year, the number of shares of stock owned by each shareholder at all times during the taxable year, the amount of money and other property distributed by the corporation during the taxable year to each shareholder, the date of each such distribution, and such other information, for the purpose of carrying out the provisions of this

part, as the commissioner may by forms or regulations prescribe. Any return filed pursuant to this section shall, for purposes of sections 121-45 and 121-45.1 (relating to limitations), be treated as a return filed by the corporation under section 121-26."

SECTION 2. Section 121-5(d) of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended by adding thereto the following sentence:

"In determining the amount of the net operating loss deduction under this subsection of any corporation, there shall be disregarded the net operating loss of such corporation for any taxable year for which such corporation is an electing small business corporation under Part III-A."

SECTION 3. This Act upon its approval shall apply with respect to taxable years beginning after December 31, 1958.

(Approved June 12, 1959.) **S.B. 60.**

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### ACT 277

An Act Relating to Taxation, Amending Chapter 117, Revised Laws of Hawaii 1955, as Amended, Reenacting Act 195 of the Session Laws of 1955 with Amendments Designating Chapter and Section Numbers of the Revised Laws of Hawaii 1955 and Also Amending the Act as to the Business to which it Applies, Amending Chapter 121 of the Revised Laws of Hawaii 1955, as Amended by Act 1 of the Special Session Laws of 1957, Known as the Income Tax Law of 1957, Amending Chapters 126 and 127 of the Revised Laws of Hawaii 1955 as Amended, and Amending Act 217, Session Laws of Hawaii 1957.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 117-13 of the Revised Laws of Hawaii 1955, is hereby amended in the following respects:

(a) By inserting after the section heading a subsection designation "(a)".

(b) By adding to section 117-13 a new subsection (b) to read as follows:

"(b) In the case of any person entitled to the protection of paragraph (a) of section 117-11, the tax shall be collected only through ordinary means."

SECTION 2. Section 117-18, Revised Laws of Hawaii 1955, is hereby amended by deleting therefrom the words "is engaged in business both within and without the Territory," and inserting in lieu thereof the following:

"is engaged in business both within and without the Territory or in selling goods for delivery outside the Territory,"

SECTION 3. Section 117-20 of the Revised Laws of Hawaii 1955, as amended by Act 1 of the Special Session Laws of 1957, is hereby amended by deleting from the next to the last paragraph the words: "a license may be obtained without payment of a further fee, and in the event", and inserting in lieu thereof the following:



"a license may be obtained upon payment of the required fee less the \$1 already paid under this section, which shall be credited thereon. In the event".

SECTION 4. (a) Section 117-21(j) of the Revised Laws of Hawaii 1955, is hereby amended by inserting after the words "under that chapter" and preceding the comma the following:

"and selling such products at wholesale".

(b) The amendment made by this section shall take effect July 1, 1959 and shall apply to taxes accruing on and after said date.

SECTION 5. Act 195 of the Session Laws of 1955 is hereby reenacted, designated chapter 117A of the Revised Laws of Hawaii 1955, and amended as follows:

(a) By renumbering sections 1 and 2 to become sections 117A-1 and 117A-2, and by correcting references to said sections to read accordingly.

(b) By adding thereto a new section to read as follows:

"Sec. 117A-3. As used in this chapter 'the business of selling tangible personal property' includes both business classed as such under chapter 117 and also the rendering of a service which involves the consumption or use of tangible personal property furnished by the 'potential employer' referred to in section 117A-1."

SECTION 6. The Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended by deleting from section 121-1 the definition of "Internal Revenue Code", being the seventh paragraph of the section, and by inserting a new section 121-1.01, to follow section 121-1 and to read as follows:

"Sec. 121-1.01. Same, 'Internal Revenue Code'. 'Internal Revenue Code' means the Internal Revenue Code of 1954 as it applies to the determination of gross income, adjusted gross income and taxable income, except those provisions of the Internal Revenue Code which pursuant to the provisions of this chapter do not apply. For each taxable year specified in column 1 below the Internal Revenue Code meant is the Internal Revenue Code of 1954 as amended as of June 7, 1957 and as further amended by the acts of Congress, or portions thereof, enumerated in column 2 (section numbers in column 2 are inclusive). Amendments to the code not herein enumerated shall not be operative for the purposes of this chapter unless specifically adopted.

Column 1

Taxable year beginning on or after January 1, 1958, or which is whole or in part is governed by this chapter pursuant to the provisions of Act 1 of the Special Session Laws of 1957, and subsequent taxable years.

Column 2

Public Laws 85-165, 85-320, and 85-367; Public Law 85-866, Title I, sections 4-12, 19, 20 (with respect to sales, exchanges and distributions made after December 31, 1957), 21, 22, 24, 25, 28, 29 (the provisions of section 29 being applicable as agreed upon in connection with the tax commissioner's consent to the change in the method of accounting, and reading 'the first taxable year beginning after De-

Taxable year beginning on or after January 1, 1959, or beginning in 1958 but ending on or after June 30, 1959, and subsequent taxable years.

December 31, 1953, and ending after August 16, 1954' as 'the first taxable year governed by the Income Tax Law of 1957'), 34, 35, 37(c), 38, 43-48, 52(b), 53, 55, 95 and 97.

Public Law 85-866, Title I, sections 2 (with respect to obligations acquired after December 31, 1957), 3 (with respect to amounts received as a statutory subsistence allowance for a period after September 30, 1958), 13, 15 (with respect to the costs and improvements there designated), 17, 23, 26, 27, 30 (the provisions of section 30 being applicable to the extent they relate to deductions for contributions and gifts), 37(b) and (d), 39, 49, 50, 51, 52(a), 54, 57(a), 58 (with respect to the amounts there designated), 101 (with respect to taxable years of regulated investment companies beginning on or after March 1, 1958), Title II, sections 202, 204 (with respect to property acquired by purchase after December 31, 1958)".

SECTION 7. (a) The taxable year hereinafter designated is referred to in this section as the first taxable year governed by this section, being the taxable year beginning on or after January 1, 1959, or in the case of a taxable year beginning in 1958 but ending on or after June 30, 1959 then that taxable year. This section relates to any amount of depreciation (i.e. any amount of deduction for exhaustion, wear and tear, obsolescence, or amortization) allowable under the Income Tax Law of 1957 for the taxable year preceding the first taxable year governed by this section, and which is (i) less than, or (ii) in excess of, the amount allowable for federal purposes with respect to the same property for that taxable year, by reason of sections 15 and 204 of the Technical Amendments Act of 1958 (P.L. 85-866) not being applicable thereto for that taxable year under the Income Tax Law of 1957.

(b) If, as stated in clause (i) above, the amount allowable is less than the amount allowable for federal purposes for the preceding taxable year and if depreciation is allowable with respect to the same property for the first taxable year governed by this section such amount shall, to the extent not otherwise allowable for this first taxable year, be added to and be treated as depreciation allowable with respect to that property for this first taxable year. However, the total depreciation allowable for this first taxable year and the preceding taxable year shall not exceed the amount which would have been allowable had section 204 of the Technical Amendments Act of 1958 (P.L. 85-866) applied for taxable

years ending after June 30, 1958, with respect to tangible personal property acquired by purchase after December 31, 1957.

(c) If, as stated in clause (ii) above, the amount allowable is more than the amount allowable for federal purposes for the preceding taxable year and if depreciation is allowable with respect to the same property for the first taxable year governed by this section such amount shall, to the extent of the excess, be deducted from and diminish the depreciation allowance under the Income Tax Law of 1957, as amended by section 6 of this Act, with respect to that property for this first taxable year (but such deduction shall not exceed the amount of the depreciation which would have been allowable with respect to that property had this section not been enacted, and any excess shall be applied as a similar adjustment in the next and succeeding taxable years).

(d) At the election of the taxpayer, exercised by the filing, on or before December 31, 1959, of a return or amended return for the preceding taxable year prepared as though sections 15 and 204 of the Technical Amendments Act of 1958 (P.L. 85-866) had, under the Income Tax Law of 1957, been applicable for that taxable year with respect to the same property to which these provisions were applicable for federal purposes, these provisions shall be applicable to the taxpayer with respect to that property commencing with that taxable year instead of as stated in section 6 of this Act.

SECTION 8. (a) Section 121-5(c) of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended in the following respects:

(1) By inserting after the words and punctuation "national banking association," the following:

"or received by a small business investment company operating under the Small Business Investment Act of 1958 (Public Law 85-699) upon shares of stock qualifying under clause (3) below,"

(2) By inserting preceding the last sentence of the subsection a new sentence to read as follows:

"However, except for national bank dividends, the deductions under this paragraph are not allowed when they would not have been allowed under section 243 of the Internal Revenue Code, as amended by Public Law 85-866, by reason of subsections (b) and (c) of section 246 of the Internal Revenue Code, as so amended."

(b) This section applies to taxable years beginning on or after January 1, 1959, or beginning in 1958 but ending on or after June 30, 1959, and subsequent taxable years.

SECTION 9. (a) Section 121-12(a) of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended in the following respects:

(1) By deleting from the first sentence the words "within such other jurisdiction and taxed under the laws thereof" and inserting in lieu thereof the following:

"without the Territory and taxed under the laws of such other jurisdiction".

(2) By deleting the last sentence of the subsection and inserting in lieu thereof the following:

"The application of such credit, however:

(1) Shall not be allowed with respect to any taxable income or any tax which under subchapter N of chapter 1 of the Internal Revenue Code of 1954 (which is applicable for federal purposes but not for territorial purposes) is or may be the subject of an exclusion, exemption or tax credit; and

(2) Shall not operate to reduce the tax payable under this chapter to an amount less than that which would have been payable had the taxpayer been taxable only on the income from property owned, personal services performed, trade or business carried on, and other sources in the Territory."

(b) This section shall apply to taxable years beginning on or after January 1, 1958, or which in whole or in part are governed by the Income Tax Law of 1957 pursuant to the provisions of Act 1 of the Special Session Laws of 1957 and to subsequent taxable years, except as follows: Prior to the taxable year beginning on or after January 1, 1959 or in the case of a taxable year beginning in 1958 but ending on or after June 30, 1959 then that taxable year, the mere circumstance that, for federal purposes, taxable income or taxes are or may be the subject of an exclusion, exemption or tax credit under subchapter N of chapter 1 of the Internal Revenue Code of 1954 shall not cause the denial of the credit allowed by section 121-12.

SECTION 10. (a) Section 121-15 of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended by adding at the end of the section a new paragraph to read as follows:

"Subject to the other provisions of this chapter, Part II of subchapter K of chapter 1 of the Internal Revenue Code shall apply, as well as other provisions of the Internal Revenue Code."

(b) This section shall apply to taxable years beginning on or after January 1, 1958, or which in whole or in part are governed by the Income Tax Law of 1957 pursuant to the provisions of Act 1 of the Special Session Laws of 1957, and to subsequent taxable years.

SECTION 11. Section 121-19 of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended by deleting the third sentence of subsection (a) thereof.

SECTION 12. Section 121-31(f) of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended by deleting therefrom the words "until after the 20th day of the month" and inserting in lieu thereof the following:

"until after the last day of the calendar month".

This amendment shall apply to taxable years ending on or after June 30, 1959, and subsequent taxable years.

SECTION 13. Section 121-44 of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special

Session Laws of 1957) is hereby amended by changing the period at the end of subsection (b) to a comma and adding the following:

“or resulting from the tax as returned being less than the tax as estimated; in any of these cases a credit or refund is authorized even though the tax for the taxable year remains subject to determination by the commissioner and assessment as provided by law.”

SECTION 14. The Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby amended by inserting therein two new sections to be numbered 121-45.1 and 121-45.2 and to read as follows:

**“Sec. 121-45.1. Time for assessment of deficiency attributable to gain upon conversion.** (a) If a taxpayer has made the election provided in subparagraph (A) of section 1033(a) (3) of the Internal Revenue Code, the rules stated in this section apply.

(b) The statutory period for the assessment of any deficiency, for any taxable year in which is realized any part of the gain on the conversion which is the subject of the election referred to in subsection (a) of this section, attributable to such gain, shall not expire prior to the expiration of three years from the date the commissioner is notified by the taxpayer (in such manner as the commissioner has prescribed or may prescribe) of the replacement of the converted property or of an intention not to replace, and such deficiency may be assessed at any time before the expiration of this three year period notwithstanding any other provision which would otherwise prevent such assessment.

(c) If the property or stock purchased as a replacement for converted property was purchased before the beginning of the last taxable year in which any part of the gain upon such conversion is realized, any deficiency, to the extent resulting from the election referred to in subsection (a) of this section, for any taxable year ending before such last taxable year may be assessed, notwithstanding any other provision which would otherwise prevent such assessment, at any time before the expiration of the period within which a deficiency for such last taxable year may be assessed.

**Sec. 121-45.2. Time for assessment of deficiency attributable to gain upon sale of a residence.** (a) If after December 31, 1957, a taxpayer during a taxable year sells at a gain property used by him as his principal residence, the rules stated in this section apply.

(b) The statutory period for the assessment of any deficiency attributable to any part of the gain referred to in subsection (a) of this section shall not expire before the expiration of three years from the date the commissioner is notified by the taxpayer (in such manner as the commissioner has prescribed or may prescribe) of the matters set out in subsection (c) of this section, and such deficiency may be assessed at any time before the expiration of the three year period notwithstanding any other provision which would otherwise prevent such assessment.

(c) The notice referred to in subsection (b) of this section shall inform the commissioner of:

(1) The taxpayer's cost of purchasing the new residence which the taxpayer claims results in nonrecognition of any part of the gain referred to in subsection (a) of this section, or

(2) The taxpayer's intention not to purchase a new residence within the period specified in section 1034(a) of the Internal Revenue Code, or

(3) A failure to make such purchase within such period."

SECTION 15. Section 121-51 of the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) is hereby repealed.

SECTION 16. Section 126-6 of the Revised Laws of Hawaii 1955 is hereby amended in the following respects:

(a) By deleting from the first sentence the words "prescribed by chapter 121 with respect to persons whose returns are made upon a calendar year basis" and inserting in lieu thereof:

"hereinafter prescribed".

(b) By constituting as the last paragraph of the section all that follows the first sentence.

(c) By inserting in the section a new paragraph, immediately preceding the last paragraph as constituted under subsection (b) hereof, to read as follows:

"The total amount of the tax imposed by this chapter shall be due on January 1 and payable on April 20 in each year. The public utility may elect to pay the tax in four equal installments, in which case the first installment shall be paid on April 20, and the second, third and fourth installments on June 20, September 20, and December 20, respectively. The tax, or any installment thereof, at the election of the public utility may be paid prior to the date above prescribed. If any installment is not paid on or before the date fixed for its payment, the collector may, at his election, cause the whole amount of the tax unpaid to become payable upon not less than ten days' notice and demand, and this amount shall be paid upon the date so fixed in the notice and demand from the collector."

SECTION 17. Section 127-1 of the Revised Laws of Hawaii 1955, as amended by Act 1 of the Special Session Laws of 1957, is hereby amended by inserting therein a new paragraph, to follow the definition of "building and loan association", which new paragraph shall read as follows:

"'Chapter 121' means the provisions thereof as amended and applicable to the tax imposed by said chapter in respect of income derived or received on and after the franchise tax date prescribed by this chapter, for example, for the computation of the franchise tax imposed by this chapter as of January 1, 1958, references to chapter 121 signify the provisions thereof as amended and applicable to income derived or received on or after January 1, 1958 in the case of a taxpayer whose taxable year under chapter 121 commences January 1, 1958."

SECTION 18. Section 6 of Act 217, Session Laws of Hawaii 1957, is hereby amended by deleting the date "July 1, 1959" and inserting in lieu thereof the words and date "as of May 1, 1959".

SECTION 19. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

SECTION 20. In enacting the provisions of sections 11 and 15, it is the intention of the Legislature that section 115-37.5 of the Revised Laws of Hawaii 1955, added by Act 185 of the Session Laws of 1957, be applied to the taxes levied by the Income Tax Law of 1957 (Chapter 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957). The enactment of sections 11 and 15 shall not be construed as affecting in any manner, to the detriment of the Territory, any lien existing prior to the effective date of this Act. A tax lien heretofore not existing and created in favor of the Territory by or pursuant to section 115-37.5, as said section applies from and after the effective date of this Act, shall not be valid as against any security or other interest in property existing upon the effective date of this Act in favor of any person other than the person liable for the tax.

SECTION 21. Except as otherwise provided this Act shall take effect upon its approval.

(Approved June 12, 1959.) **S.B. 1068.**

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## ACT 278

An Act Relating to Farm Loans, Amending Chapter 102 of the Revised Laws of Hawaii 1955.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Chapter 102 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

### "CHAPTER 102, FARM LOANS.

**Sec. 102-1. Definitions.** Whenever used in this chapter:

a. 'Farm land' means land in the Territory used for agricultural purposes, including general farming, cane growing, fruit growing, flower growing, grazing, dairying, the production of any form of livestock or poultry, and any other form of agricultural activity. It includes land required for an adequate farm dwelling and other essential farm buildings, roads, waste land.

b. 'Qualified farmer' means a person of proven farming ability who is presently devoting, has recently devoted, or intends to devote at least one third of his time or derive at least one third of his net cash income from direct participation in farming in its broadest sense. It includes partnerships and small corporations each member of which would qualify individually.

c. 'Farm operator' means a qualified farmer who operates his own farm on farm land rented or leased from others.

d. 'Farm owner-operator' means a qualified farmer who operates his own farm on land owned in fee.

e. 'Cooperative' means a nonprofit association of farmers organized under the provisions of chapter 176 of the Revised Laws of Hawaii 1955.

f. 'Mortgage' includes such classes of liens on farm land and other authorized security as are approved by the farm loan board of Hawaii, and the credit instruments secured thereby.

g. 'Private lender' includes banks, savings and loans associations, mortgage companies, and other qualified companies whose business includes the making of loans in the Territory.

**Sec. 102-2. The farm loan board of Hawaii.**

a. There shall be a board charged with the execution of this chapter, to be known as the farm loan board of Hawaii.

b. The board shall consist of seven members, of whom four shall be residents of the city and county of Honolulu, one shall be a resident of the county of Hawaii, one shall be a resident of the county of Maui, and one shall be a resident of the county of Kauai, and all of whom shall be appointed in accordance with the requirements of section 80 of the Organic Act. The members from the counties of Hawaii, Maui and Kauai, and at least one member from the city and county of Honolulu, shall be bona fide full time farmers. No more than four of the members shall be appointed from the same political party. The members of the board shall hold office for three years, and until their successors are appointed and qualified; provided that at least one term of office shall expire each year. Vacancies shall be filled for the unexpired term.

c. The members of the board shall receive no compensation for their services as such members, but shall receive their necessary traveling expenses when engaged upon the work of the board.

d. The board shall provide a printed report to the governor in February of each year, covering its operations of the preceding year.

**Sec. 102-3. Purpose of the farm loan board.** It shall be the general purpose of the farm loan board of Hawaii to promote the agricultural development of the Territory by stimulating, facilitating, and granting loans to qualified farmers.

**Sec. 102-4. Powers and duties of the farm loan board.** The farm loan board shall have the following powers, which shall be exercised pursuant to rules and regulations having the force and effect of law, to be adopted by the farm loan board and approved by the governor in accordance with sec. 7-28 to sec. 7-41, inclusive, of the Revised Laws of Hawaii 1955.

a. Employ a secretary, who may be exempt from the provisions of chapters 3 and 4 of the Revised Laws of Hawaii 1955, as amended, and such other full time and part time employees, subject to the provisions of chapters 3 and 4 of the Revised Laws of Hawaii 1955, as amended, as are necessary to effectuate the purposes of this chapter, subject further to the limitation of funds in the farm loan reserve fund.

b. Designate such agents throughout the Territory as may be necessary for property appraisal, the consideration of loan applications, and the supervision of farming operations of borrowers. Such agents may be compensated for their services at such rates as the board in its discretion may fix.

c. Initiate and carry on a continuing research and education program, utilizing and coordinating the services and facilities of other govern-



ment agencies and private lenders to the maximum, to inform qualified farmers concerning procedures for obtaining loans and to inform private lenders concerning the advantages of making loans to such qualified farmers.

d. Cooperate with private and federal government farm loan sources to increase the amount of loan funds available to qualified farmers in the Territory.

e. Assist individual qualified farmers in obtaining loans from other sources. Insofar as available funds and staff permit, counsel and assist individual farmers in establishing and maintaining proper records to prove their farming ability for loan purposes.

f. Insure loans made to qualified farmers by private lenders under section 102-5.

g. Participate in loans made to qualified farmers by private lenders under section 102-6.

h. Make loans to qualified farmers under the insured loan program of the Farmers Home Administration, subject to the provisions of section 102-7.

i. Make direct loans to qualified farmers under section 102-8.

j. Borrow money for loan purposes.

k. Assign and sell mortgages.

l. Sue and be sued in the name of the 'farm loan board of Hawaii'.

m. Exercise such incidental powers as are deemed necessary or requisite to fulfill its duty in carrying out the purpose of this chapter.

**Sec. 102-5. Loans insured by the farm loan board.**

a. The farm loan board may insure up to 90 per cent of the principal balance of a loan, plus interest due thereon, made to a qualified farmer by a private lender who is unable otherwise to lend the applicant sufficient funds at reasonable rates.

b. Loans insured under this section shall be limited by the provisions of sections 102-9 through 102-13 for purposes of classes 'A' through 'D' and class 'F'.

c. Interest charged on an insured loan made under the provisions of this section shall not be more than one and one half per cent higher than for similar loans made directly by the board under section 102-8.

d. When the application for an insured loan has been approved by the farm loan board, the board shall issue to the lender a guaranty for that percentage of the loan on which it insures payment of principal and interest. The lender shall collect all payments from the borrower and otherwise service the loan.

e. In return for the board's guaranty, the lender shall remit out of interest collected an insurance fee of one half of one per cent per annum on the unpaid principal balance of the insured portion of the loan, provided that this fee shall not be added to any amount which the borrower is obligated to pay.

f. When any installment of principal and interest has been due for sixty days and has not been paid by the borrower, the board shall issue, on request of the lender, a check for the percentage of the overdue payment guaranteed, thereby acquiring a division of interest in the collateral

pledged by the borrower in proportion to the amount of the payment. The board shall be reimbursed for any amounts so paid, less a service fee set by the board, when payment is collected from the borrower.

g. Under conditions specified in regulations of the board, the lender may request that a portion or all of the guaranteed percentage of the principal balance of the loan be converted to a participating share held by the farm loan board subject to the provisions of section 102-6.

h. Should the lender deem that foreclosure proceedings are necessary to collect moneys due from the borrower, it shall so notify the board. Within thirty days of such notification, the board may elect to request an assignment of the loan on payment in full to the lender of the principal balance and interest due. Foreclosure proceedings shall be held in abeyance in the interim.

i. The lender may reduce the percentage of the principal balance insured under this section at any time.

**Sec. 102-6. Participation in loans by the farm loan board.**

a. The farm loan board may provide funds for a share, not to exceed ninety per cent, of the principal amount of a loan made to a qualified farmer by a private lender who is unable otherwise to lend the applicant sufficient funds at reasonable rates.

b. Participating loans under this section shall be limited by the provisions of sections 102-9 through 102-13 for purposes of classes 'A' through 'D' and class 'F', the farm loan board's share not to exceed the maximum amounts specified therefor.

c. Interest charged on the farm loan board's share of a participating loan shall be the same as for a loan of similar class made directly by the board under section 102-8. Interest charged on the private lender's share of the loan shall not be more than one and one half per cent higher than the interest on the board's share.

d. The private lender's share of the loan may be insured by the farm loan board up to ninety per cent of the principal balance of the loan, under the provisions of section 102-5.

e. When a participating loan has been approved by the farm loan board, its share shall be paid to the participating private lender for disbursement to the borrower. The private lender shall collect all payments from the borrower and otherwise service the loan.

f. Out of interest collected for the farm loan board, the private lender may deduct a service fee of one half of one per cent of the unpaid principal balance of the board's portion of the loan, provided that this fee shall not be added to any amount which the borrower is obligated to pay.

g. The participating private lender may take over a larger percentage or the full principal balance of the loan at any time that it has determined, to the satisfaction of the board, that the borrower is able to pay any increased interest charges resulting.

h. Security for participating loans shall be limited by the provisions of section 102-11. All collateral documents shall be held by the private lender. Division of interest in collateral received shall be in proportion to participation by the farm loan board and the private lender.

**Sec. 102-7. Loans insured by the Farmers Home Administration.**

a. The farm loan board may make loans under the insured loan program of the Farmers Home Administration to qualified farmers who are unable to obtain sufficient funds at reasonable rates from private lenders independently or under the provisions of sections 102-5 and 102-6 of this chapter.

b. Loans made under this section shall be limited by the provisions of sections 102-9 through 102-13 as they apply to class 'A' and class 'C'.

c. Interest charged the borrower, and interest received by the farm loan board, shall be the prevailing rates specified under the insured farm loan program of the Farmers Home Administration.

**Sec. 102-8. Direct loans.**

a. The farm loan board may make loans directly to qualified farmers who are unable to obtain sufficient funds at reasonable rates from private lenders either independently or under the provisions of sections 102-5 and 102-6, or from the Farmers Home Administration either directly or under the provisions of section 102-7.

b. Loans made under this section shall be limited by the provisions of sections 102-9 through 102-13.

c. Loans made under this section shall bear simple interest on the unpaid principal balance, charged on the actual amount disbursed to the borrower. Interest on loans of classes 'A' through 'C' and facility loans of class 'F' shall not exceed four and one half per cent per annum; interest on loans of class 'D' and operating loans of class 'F' shall not exceed five per cent per annum; interest on loans of class 'E' shall not exceed three per cent per annum.

d. For loans made under this section, funds shall be disbursed in accordance with regulations of the board.

**Sec. 102-9. Classes of loans; purposes, terms, eligibility.** Loans made under this chapter shall be for the purposes and in accordance with the terms specified in classes 'A' through 'F' in the subsections following and shall be made only to qualified farmers who meet the eligibility requirements specified therein and in section 102-10.

a. Class A: Farm ownership loans. To provide for (1) the purchase or improvement of farm land; (2) the purchase, construction, or improvement of adequate farm dwellings, and other essential farm buildings; (3) the liquidation of indebtedness incurred for any of the foregoing purposes. Such loans shall be for an amount not to exceed \$30,000 and for a term not to exceed forty years. To be eligible, an applicant shall (1) be or plan to become a farm owner-operator deriving a major portion of his net cash income from and devoting most of his time to farming operations, and (2) have or be able to obtain the operating capital, including livestock and equipment, needed to successfully operate his farm.

b. Class B: Farm housing loans. To provide for (1) the purchase, construction, or improvement of adequate farm dwellings and other essential farm buildings; (2) the liquidation of indebtedness incurred for any of the foregoing purposes. Such loans shall be for an amount not to exceed \$20,000 and for a term not to exceed thirty-three years. To be eligible, an applicant shall (1) be a farm owner-operator or farm operator, and (2) have sufficient farm and other income to pay for farm

operating and living expenses and meet payments on his existing debts including the proposed farm housing loan.

c. Class C: Soil and water conservation loans. To provide for (1) soil conservation practices; (2) water development, conservation, and use; (3) drainage; (4) the liquidation of indebtedness incurred for any of the foregoing purposes. Such loans shall be for an amount not to exceed \$20,000 to an individual or \$200,000 to an association, and shall be for a term not to exceed twenty years for a loan to an individual and forty years to an association. A farmer, to be eligible, shall (1) be a farm owner-operator or farm operator and (2) have sufficient farm and other income to pay for farm operating and living expenses and meet payments on his existing debts including the proposed soil and water conservation loan. A non-profit organization, to be eligible, shall be primarily engaged in extending services to its members directly related to the purpose of the loan.

d. Class D: Farm operating loans. To carry on and improve a farming operation, including (1) the purchase of farm equipment and livestock; (2) the payment of production and marketing expenses, including materials, labor, and services; (3) the payment of living expenses; (4) the liquidation of indebtedness incurred for any of the foregoing purposes. Such loans shall be for an amount not to exceed \$10,000 and for a term not to exceed ten years. To be eligible, an applicant shall be or plan to become a farm owner-operator or farm operator deriving a major portion of his net cash income from and devoting most of his time to farming operations.

e. Class E: Emergency loans. To provide relief and rehabilitation to qualified farmers without limit as to purpose, (1) in areas stricken by extraordinary rainstorms, windstorms, droughts, tidal waves, earthquakes, volcanic eruptions, and other natural catastrophes; (2) on farms stricken by livestock disease epidemics and crop blights; (3) on farms seriously affected by prolonged shipping and dock strikes; (4) during economic emergencies caused by overproduction, excessive imports, and the like. Such loans shall not exceed the maximum amounts and the maximum periods specified in subsections 'a' through 'd' above when the loan funds are used for the purposes specified therein. To be eligible, an applicant shall be a farm owner-operator or farm operator.

f. Class F: Loans to cooperatives. To provide credit to farmers' cooperative associations engaged in marketing, purchasing, and providing farm business services, including (1) facility loans to purchase or improve land, buildings, and equipment for an amount not to exceed \$100,000 and a term not to exceed twenty years; (2) operating loans to finance inventories of supplies, warehousing and shipping of commodities, extension of consumer credit to members, and other normal operating expenses for an amount not to exceed \$50,000 and a term not to exceed three years. To be eligible, a cooperative shall (1) have operated continuously for a minimum of five years, (2) have at least ten qualified farmers among its membership who meet the citizenship requirements for individual loans and devote most of their time to farming operations.

**Sec. 102-10. General eligibility requirements for loans.** To be eligible for loans under this chapter, an individual applicant shall be a qualified farmer who meets the specific eligibility requirements in section 102-7 and who is:

a. A citizen of the United States, or a person who is eligible to become a citizen of the United States who has filed with the United States Immigration and Naturalization Service to become a citizen.

b. A resident of the Territory of Hawaii for at least three years next preceding the date of application for a loan.

c. A sound credit risk with ability to repay the money borrowed.

d. Willing to carry out recommended farm management practices.

**Sec. 102-11. Security for loans; mortgages.**

a. Loans made under the provisions of this chapter shall be secured by duly recorded first mortgages upon the following property within the Territory: (1) fee simple farm land; (2) leaseholds of farm land where the lease has an unexpired term at least two years longer than the term of the loan; (3) crops, livestock, and equipment; (4) other chattels.

b. It also shall be lawful for the board to require and accept as security for any loan: (1) a second mortgage when any prior mortgage does not contain provisions which might jeopardize the security position of the board or the borrower's ability to repay; (2) written agreements such as an assignment of income.

c. For purposes of class 'A' through class 'C' no loan shall exceed eighty-five per cent of the value of the security offered; for purposes of class 'D' and class 'F', no loan shall exceed sixty per cent of the value of the security offered; for purposes of class 'E', the board may, with the approval of the governor, modify or waive any or all security requirements or any limitations with respect thereto.

d. In arriving at a fair and reasonable value of real property for purposes of a direct loan under section 102-8, the board shall use the same criteria as used by the Farmers Home Administration. Its determination as to the value of the security offered shall be final and conclusive. For insured loans under section 102-5 and participating loans under section 102-6, the private lender may use its customary criteria to arrive at a fair and reasonable value of real property, and its determination shall be final and conclusive.

e. All security instruments for purposes of direct loans under section 102-8 shall be executed to and by the board. For purposes of insured loans under section 102-5, all security instruments shall be executed to and by the private lender; for purposes of participating loans under section 102-6 to and by the board and the private lender jointly.

f. In case of the sale or transfer of the mortgaged land, the board may permit the mortgage to be assumed by the purchaser. In case of the death of the borrower, his heir or heirs, or his legal representative or representatives, shall have the option within six months of the death to assume the mortgage of the deceased. The board or its agents may, pending the exercise of the option and pending possession being taken by the heirs or representatives, take possession of all mortgaged property and carry on the agricultural operation connected therewith, and the expense of the same shall be added to the principal due upon the mortgage to bear interest at the applicable rate.

g. If a loan is granted, the board shall cause the title to real property to be examined and a mortgage drawn and recorded. The applicant

shall pay the actual costs involved. No loan shall be made on unsurveyed lands.

**Sec. 102-12. Conditions.** Every borrower who is granted a loan under the provisions of this chapter shall comply with the following conditions:

a. Expend no portion of his loan for purposes other than those sanctioned by the board.

b. Carry out recommended farm management practices, including the keeping of proper records.

c. Not sell or otherwise dispose of the mortgaged property except on written consent of the lender, and except upon such conditions as may be prescribed in writing by the lender.

d. Undertake to pay, when due, all taxes, liens, judgments, or assessments which may be lawfully assessed against the property mortgaged, together with the costs and expense of any foreclosure of such mortgage.

e. Keep insured to the satisfaction of the board all buildings and other insurable property covered by the mortgage. Insurance shall be made payable to the mortgagee as its interests may appear at the time of the loss. At the option of the borrower, and subject to the general regulations of the board, sums so received may be used to pay for reconstruction of the buildings destroyed, or for decreasing the amount of the indebtedness.

f. Keep buildings in good repair; provide proper care for improvements, stock, and implements; keep land free from noxious weeds; practice good systems of husbandry.

g. All of the above conditions shall be held and construed to be a provision of any mortgage executed by virtue of this chapter whether appearing as a provision of said mortgage or not.

h. If the borrower is in default in respect to the above conditions, or any other conditions, or any other condition or covenant of the mortgage, the whole of the loan shall, at the option of the lender become due and payable forthwith. The lender may, with or without notice, take possession of the mortgaged property pending a foreclosure and may carry on agricultural pursuits upon the mortgaged premises, expending all reasonable sums therefor. Such sums shall be a lien on the mortgaged premises and be recoverable in any foreclosure proceedings or otherwise. The lender may foreclose the mortgage by any method provided for by law.

**Sec. 102-13. Repayment; refinancing.**

a. Loans made under this chapter shall be repaid in accordance with a payment plan specified by the lender, with payments applied first to interest and then to principal.

b. Additional payments in any sums, or the payment of the entire principal, may be made at any date within the time period of the loan.

c. The lender may, for satisfactory cause and at its discretion, extend the time within which the installments of principal may be paid for a period not to exceed two years.

d. For loans in class 'D' which are made to plant and cultivate land used for crops requiring eighteen months or more before first maturing, the board may defer the first payment of principal until the crop first matures, not to exceed a period of five years.

e. The borrower will be expected to refinance the balance owed on any direct loan except for purposes of class 'E' as soon as he is able to obtain credit from other sources at reasonable rates and terms.

**Sec. 102-14. Funds; application of payments.**

a. There is created a special fund to be known as the 'farm loan revolving fund', from which moneys shall be loaned by the farm loan board under the provisions of this chapter.

b. All interest and fees collected by the board shall be deposited in the farm loan reserve fund to the extent needed to carry on the operations of the board; any moneys surplus to these needs shall be transferred to the farm loan revolving fund at the discretion of the board. All payments received on account of principal shall be credited to the farm loan revolving fund.

c. A proper reserve shall be maintained in the farm loan revolving fund to guarantee payment of loans under section 102-5.

d. All funds of the board shall be paid out on warrants signed by any two members of the board."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 12, 1959.) **S.B. 1330.**

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**ACT 279**

An Act Creating the Hawaii Land Development Authority, Providing for the Purchase or Condemnation of Private Property on the Island of Oahu for Resale, Lease or Lease with Option to Purchase to Private Parties for the Development of Residential Uses and Other Facilities in Connection Therewith, and Making an Appropriation.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1. Findings and declaration of necessity.** The Legislature hereby finds and declares that: (a) there exists a critical shortage of residential fee simple property on the Island of Oahu; (b) this shortage has created an artificial scarcity and resulting high prices making it extremely difficult or impossible for persons of moderate means to own their own homes; (c) a large and expanding population in a growing economy will further aggravate the already existing shortage; (d) a prime goal of land policy in the United States has been to promote the public welfare through the greatest possible attainment of individual home ownership; (e) the high percentage of private land held by relatively few owners on an island of very restricted area coupled with the inability or unwillingness of some of these large owners, because of trust indentures or tax problems, to sell or adequately develop their lands is a strong contributing factor in creating this critical shortage and the accompanying artificial price inflation; (f) available and suitable public lands on Oahu are insufficient to adequately relieve the existing shortage of residential lands either in fee or in lease; (g) where the goal of home ownership is not immediately attainable for people of moderate means, leasing or leasing with an option to purchase house lots can provide an interim method of meeting a portion of the housing need; (h) it is therefore necessary that the government acquire through its power of eminent domain sufficient lands to develop to meet the present need and establish a well-balanced community where fee ownership is a right, and in

which limited land areas may be put to their highest and best use; and (i) it is hereby declared as a matter of legislative determination that acquisition and development of land hereunder is declared to be a public use and purpose.

**SECTION 2. Definitions.** The following terms, wherever used in this Act, shall have the following respective meanings, unless a different meaning clearly appears from the context:

1. "Authority" shall mean the Hawaii Land Development Authority created by this Act.

2. "Commissioner" shall mean one of the members of the authority who has been specifically appointed thereto by the governor by and with the advice and consent of the Senate in accordance with the provisions of this Act.

3. "Territory", "governor", "secretary", "government" and "federal government" shall have the respective meanings defined in section 74-2 of the Revised Laws of Hawaii 1955.

4. "County" shall include the city and county of Honolulu.

5. "Revised Laws" shall mean the Revised Laws of Hawaii 1955, as amended.

6. "Development project" shall mean a specific unit for development within a designated area for which a program of acquisition and development is established.

7. "Development area" shall mean areas so designated pursuant to section 8.

8. "Lands" shall mean either undeveloped lands or land together with improvements and appurtenances and shall include real property as defined in section 74-4 of the Revised Laws of Hawaii 1955. All lands owned by the Territory or any political subdivision thereof, or the Federal Government, are "government lands". All other lands are "private lands".

9. "Residence lot" shall mean a lot not exceeding one half acre in size, obtained by subdivision of lands acquired pursuant to this Act and used for one or two family residential use only, except as may otherwise be provided for herein.

10. "Residential use" or "residential purpose" shall mean the devotion of a residence lot to use for one or two family dwelling purposes only.

11. "Bonds" shall mean any bonds, notes, interim certificates, debentures or other obligations.

12. "Obligee" shall include any bondholder, agents or trustees for any bondholders, or lessor demising to the authority property used in conjunction with a development project, or any assignee of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the authority.

**SECTION 3. Authority created, commissioners.**

1. An authority to be known as the Hawaii Land Redevelopment Authority is hereby created. Such authority shall be a public body and a body corporate and politic with perpetual existence, and shall consist of five commissioners who shall be appointed by the governor, by and with the advice and consent of the senate and four ex officio members hereafter mentioned. Not more than three of said commissioners shall be members of the same political party. The commissioner of public lands, the executive director of the Hawaii Housing Authority, the territorial tax commissioner, and the director of territorial planning shall be ex officio members with vote.



2. The commissioners who are first appointed shall be designated by the governor to serve for terms of one, two, three, four and five years respectively from the date of their appointment. Thereafter the term of the office shall be five years. A commissioner shall hold office until his successor has been appointed and has qualified. Vacancies shall be filled for the unexpired term. Five members of the authority including three of the appointed commissioners shall constitute a quorum. The governor shall file with the secretary of the Territory a certificate of the appointment of such commissioner. A commissioner shall receive no compensation for his services but he shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties.

3. The authority shall select a chairman from among its commissioners. The authority shall select from among its commissioners a vice chairman, and it may employ an executive secretary, technical experts and such other officers, agents and employees, permanent or temporary, as it may require, and shall determine their qualifications, duties and compensation. The authority may call upon the attorney general for such legal services as it may require, or it may employ its own counsel and legal staff. The authority may also call upon the staff of the ex-officio members for such services as it may require on a reimbursable basis. The authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper.

**SECTION 4. Duty of the authority and of the commissioners.** The authority and its commissioners shall be under a statutory duty to comply or to cause compliance strictly with all provisions of this Act and of the Revised Laws and in addition thereto, with each and every term, provision and covenant in any lawful contract of the authority on its part to be kept or performed.

**SECTION 5. Interested commissioners, officers or employees.** No commissioner, member, officer or employee of the authority shall have or acquire any interest, direct or indirect, in any development project or in any property included or planned to be included in any development project, nor shall he have or acquire any interest, direct or indirect, in the financing of any development project or in any contract or proposed contract, for materials or services to be furnished or used in connection with or relating to any development project. If any commissioner, member, officer or employee of the authority has or acquires an interest, direct or indirect, in any development project or in any property included or planned to be included in any development project, he shall immediately disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Such commissioner, member, officer or employee shall not participate in any action by the authority relating to the property, project or contract in which he has or acquires any such interest. Violation of any of the foregoing provisions of this section shall constitute, in case of a commissioner or member, or officer, misconduct in office or, in case of an employee, cause for dismissal.

**SECTION 6. Suspension and removal of commissioners.**

1. The governor may suspend a commissioner for inefficiency or neglect of duty or misconduct in office, but only after the commissioner shall have been given a copy of the charges against him (which may be made by the governor) at least ten days prior to the hearing thereon and had an opportunity to be heard in person or by counsel. Any obligee of the authority

may file with the governor written charges that the authority is violating or has violated wilfully any law of the Territory or any term, provision or covenant in any contract to which the authority is a party. The governor shall give each of the commissioners a copy of such charges at least ten days prior to the hearing thereon and an opportunity to be heard in person or by counsel and shall within fifteen days after hearing on such charges suspend any commissioner of the authority who shall have been found to have acquiesced in any such wilful violation.

2. A commissioner shall be deemed to have acquiesced in a wilful violation by the authority of a law of this Territory or of any term, provision or covenant contained in a contract to which the authority is a party, if, before a hearing is held on the charges against him he shall not have filed a written statement with the authority and the governor of his objections to, or lack of participation in such violation.

3. Removal for any cause of any or all commissioners shall be as provided in section 80 of the Organic Act.

4. In the event of the removal of any commissioner, the governor shall file, in the office of the secretary, a record of the proceedings, together with the charges made against such commissioner and the findings thereon.

**SECTION 7. General powers.** The authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Act, including, without limitation, the following powers in addition to others herein granted:

(a) To sue and be sued; to have a seal and to alter the same at pleasure; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; to make and, from time to time, amend and repeal by-laws, not inconsistent with this Act, to carry into effect the powers and purposes of the authority;

(b) To make, amend or repeal any rule or regulation, having the force and effect of law, in accordance with the provisions of chapter 7 of the Revised Laws.

(c) To prepare, carry out and operate development projects in any development area; to provide for the construction, reconstruction, improvement, alteration or repair of any development project or any part thereon;

(d) To provide for the regulation of development projects financed by private funds and instituted under the terms of this Act; and

(e) To sell, to lease or to lease with option to purchase lands;

(f) In addition to all of the other powers conferred upon it, the authority may do all things necessary and convenient to carry out the powers expressly given by this Act.

**SECTION 8. Declaration of development areas.** Whenever the authority, after due notice and public hearing, the time and place of which shall have been duly advertised in a newspaper of general circulation in the county of Honolulu on at least three different days, the last publication to be not less than five days before the date of the hearing, shall find:

(a) That in any locality on the island of Oahu an acute shortage of residential property exists;

(b) That such shortage is attributable in whole or to a major degree to a scarcity of land available for purchase for residential use or to exorbitant prices or unreasonable terms and conditions demanded for or imposed upon land in such locality; and

(c) That such shortage of housing and land cannot practicably be alleviated within the reasonably near future by means other than those provided under this Act;

the authority may declare a suitable area, of not less than 25 contiguous acres in extent and of reasonably regular shape, as a development area. The development area shall be reasonably accessible to persons in the locality and shall consist of lands available for a development project. Any such finding of fact, if supported by substantial evidence, shall be conclusive in any suit, action or proceeding.

In declaring a development area on the basis of residential need the authority shall find that there are sufficient persons registered with the authority who are unable because of high prices or unavailability to purchase land in the area but who would be willing and able to purchase such land in a development project if it were made available.

All development areas shall be compatible with any general plan for the long range development of land in the county concerned adopted by such county and approved by the director of territorial planning under the terms of Act 150, Regular Session of 1957.

**SECTION 9. Acquisition of land within a development area.** After the declaration of a development area the authority shall have the power to acquire a parcel or parcels of land which it shall thereafter designate for the appropriate development project or projects within such area. In the event that necessary lands cannot reasonably be acquired by voluntary transaction, the authority is authorized to institute eminent domain proceedings to acquire such lands and improvements; provided, that negotiations for such acquisition by voluntary transaction shall not be required before the institution of eminent domain proceedings. The authority shall acquire lands so designated within 12 months next following its designation; if said lands are not acquired within said 12 month period, it shall reimburse the owner of said lands so designated for out-of-pocket expenses of appraisal, survey and attorney fees as shall be incurred by the owner as a result of said designation.

Subject to the restrictions in the following section, the authority may acquire for development projects any lands suitable for residential use, or suitable for such use or uses upon subdivision and development. The authority may also acquire, in connection with such development projects, lands necessary for roads, sidewalks, parks, schools, utilities, and playground and recreational facilities, and rights to water and access. The authority may also acquire, in connection with such development projects, lands for business use where such use is reasonably necessary to provide services to the prospective occupants of the projects. Plans and specifications for projects shall include provisions for roads, sidewalks, parks, schools, utilities, playground and recreational facilities, and other appropriate improvements, so that it will be suitable for disposition as hereinafter provided.

**SECTION 10. Property which shall not be acquired for development projects.** In declaring development areas, and acquiring land therein, the authority shall avoid disturbing existing uses which are in accord with the highest use permitted under any existing zoning ordinance in the county concerned.

The authority shall not acquire for development projects: (1) lands already developed and improved as business or industrial areas where use of such lands for residential purposes or as a part of a development project

would be economically unsound or where an undue hardship would be suffered by the community through loss of service because of such acquisition; (2) lands already in use for residential purposes by the owner thereof or by a lessee holding a lease with an original term of 20 years or more, except where the acquisition of parts of such lands is reasonably necessary for the proper development of a project, but in no case shall any part of such lands be taken where the taking will reduce the parcel to less than three acres in extent; (3) lands in the process of subdivision and development where the owner or his agent shall have prepared subdivision and construction plans, arranged for financing, and applied to government agencies and otherwise as may be appropriate for the construction of the proposed development and shall be diligently prosecuting such development in good faith and shall have filed an affidavit with the authority to that effect; (4) lands used or to be used as sites for churches, private or parochial schools, clubs, meeting houses, or other private uses of a community, civic, social or religious nature; provided, however, that portions of the lands mentioned under subparagraphs (1), (2), (3) and (4) of this section, or interests therein, may be taken to provide access and utility easements where no other reasonable means of access or utility easements are available; (5) any private lands if there are available territorial lands comparable in size and topography and otherwise suitable for residential development, in, adjacent to or reasonably near the development area, and such territorial lands are not prohibited for comparable residential use under Act 234 Session Laws 1957, or where such territorial land is not under planned development for a use, or being put to a use of substantial benefit to the economy of the Territory.

In acquiring agricultural land for a development project, where such land though used for agricultural purposes is not being used in accord with the highest use permitted under any existing zoning ordinance, the authority shall exercise all reasonable care not to jeopardize the agricultural enterprise concerned. If, however, the authority shall find that such land is necessary for a development project it may provide assistance, monetary or otherwise, in relocating the enterprise elsewhere or pay such damages to the owner or operator of such enterprise as will reasonably compensate him for his loss, if he has not already been so compensated under a lease agreement, or both.

**SECTION 11. Development of lands acquired.** Where lands are acquired by the authority with its own funds it shall subdivide and develop such lands into residence lots or dwellings and lots in a manner best designed to carry out the purposes of this Act.

The authority may contract with any private developer to provide for the financing of the acquisition of lands, the subdivision and development of acquired lands, and the disposition of residence lots or construction of dwellings on such lots and the disposition of both. Such contracts may be entered into after published advertisement for sealed tenders, setting forth the terms of the proposed contract, including necessary plans, specifications and time schedules. The contract shall provide for the establishment of such sales prices of the residence lots or dwellings and lots as will repay to the developer the amount of the actual cost or expense incurred in the acquisition and development of the land together with a developer's profit computed thereon, and shall provide for the sale of residence lots or dwellings and lots only to persons entitled to purchase from the authority, upon the terms and condi-

tions provided in section 12 with respect to sales by the authority. Every contract shall be made with the responsible bidder whose proposal shall comply with the requirements of the call for tenders and shall state the lowest rate of developer's profit, which shall in no case exceed 15%. Publication of the call for tenders shall be made as required by section 9-25, and the time for opening of such tenders shall be not less than thirty (30) days after the last publication.

#### SECTION 12. Disposition of lands.

(a) Generally. It shall be the policy of the authority to encourage insofar as possible the widespread fee simple ownership of residential lots of modest size and price. Where necessary or desirable the authority may issue residential leases or leases with an option to purchase the fee in any development area upon such reasonable terms and conditions as may be determined by the authority. Disposition of lands shall be by such public method as shall most likely carry out the purposes of this Act.

(b) Land disposed of by private developers. Such land shall be sold in accord with terms prescribed by the authority. A reasonable developer's profit shall be allowed but the authority shall reserve the right to inspect books, records and construction, take necessary precautions against speculation by the private developer in lands acquired under this Act and to renegotiate any contract to prevent unconscionable profit by the private developer.

For the purposes of this Act, an unconscionable profit shall consist of any profit or return in excess of 15% of the private developer's actual cost or expense, which shall include overhead as approved by the authority.

(c) Land disposed of by the authority. To be eligible to purchase or lease a residence lot from the authority, the buyer must furnish satisfactory evidence to the authority under oath and otherwise as required by the authority that he:

(1) Is a citizen of the United States or a declarant alien who has resided in the Territory of Hawaii for a period of five (5) years or more;

(2) Is at least twenty years of age; and

(3) Is a bona fide resident of the Territory and has a bona fide intent to reside in the development area concerned if successful in purchasing or leasing a lot in such area under this Act.

Any person whom the authority finds to be within one of the following classes, shall not be eligible to become an original purchaser or lessee of a residence lot, to wit:

(1) A person who himself or whose husband or wife or both (when husband and wife are living together) owns or own in fee simple lands suitable for residential purposes within the county and in or reasonably near the place of residence or place of business of such person; and

(2) A person who himself or whose husband or wife (when husband and wife are living together) has pending an unrefused application to purchase a lot from the authority.

Any person, firm, association or corporation may purchase business lots within a development project for business necessary to service such project. Such lots shall be sold at public auction to the highest bidder for cash.

The authority shall require all applicants for the purchase or lease of residence lots to make application therefor under oath, and may require additional testimony or evidence under oath in connection with any application. The determination of any applicant's eligibility under this Act by

the authority shall be conclusive as to all persons thereafter dealing with the property; but the making of any false statement knowingly by applicant or other person to the authority in connection with any application shall constitute perjury and be punishable as such.

When a development project or projects has or have been sufficiently completed to be suitable for disposition to individual purchasers or lessees, the authority shall sell or lease the lots therein to eligible purchasers or lessees and shall give notice of such disposition by publication in at least two newspapers of general circulation on the island of Oahu. Such notice shall state in general terms the size, location and prices or rental of lots to be sold or leased, the terms of sale or lease, and the last date on which application will be received by the authority, which date shall not be less than thirty days after the first publication of such notice. Such notice shall also state the times and places at which more detailed information with respect to the sale or lease may be secured by interested persons. Not more than one such lot shall be sold or leased to each purchaser.

Provided, that where any land within a development project is acquired from an eleemosynary organization the members or beneficiaries of such organization shall be entitled, if otherwise qualified under the terms of this Act, to first preference to purchase or lease such lands.

The purchaser at his option may pay the purchase price in full on delivery of a deed or pay not less than 10% of the purchase price and execute with the authority an agreement of sale under the terms of which the unpaid balance shall be paid in such monthly installments and over such period as the authority shall determine, with interest on unpaid balances at a rate not to exceed 6½%, payable monthly, deed to be delivered on final payment; provided, that not less than ½ of 1% on account of principal shall be required by such agreement to be paid each month. Taxes shall be prorated as of the date of delivery of deed in the case of a cash sale and as of the date of delivery of deed in the case of a sale in other cases. Each such agreement of sale shall provide that the whole or any part of the unpaid balance of the purchase price plus accrued interest may be paid at any time.

(d) Restrictions on sale and use of residential lots by purchaser.

(1) For a period of five years after the date of purchase of any lot under this Act (which date shall be deemed to be the date of the agreement of sale or deed under which the lot was originally purchased or agreed to be purchased) such lot shall not be sold by the original purchaser thereof unless the same, together with the improvements thereon shall have first been offered in writing to the authority under the option reserved by this Act and the authority shall either have refused or have failed within the time required by this section to exercise such option.

(2) Any such original purchaser intending to sell such lot and improvements within such five-year period shall first notify the authority in writing of such intention, which notice shall specify the original purchaser's address and shall expressly offer to sell such property to the authority at a price which shall not exceed the sum of (a) the original cost of the land plus 15% thereof, and (b) the replacement value less depreciation at the rates used for real property tax purposes of all buildings and improvements thereon, to be determined by three appraisers, one appointed by the authority, one appointed by the owner, and the third by said two

appraisers so appointed. Within thirty days after the receipt of such notice, the authority shall in writing notify the original purchaser at the address so specified whether it elects to exercise such option. If the authority refuses, or fails within said thirty-day period, to reply to said offer, the original purchaser may sell such property to any other person free from any price restrictions.

(3) The authority may resell any lot and improvements so purchased at a price not to exceed the actual cost thereof to the authority, with the addition of a reasonable amount to cover overhead and estimated and actual expenses.

(4) Any original deed or original agreement of sale from the authority to any original purchaser of a residence lot shall contain a covenant running with the land (and shall, whether or not such condition is contained in such instrument be subject to the requirement) that the original purchaser shall erect on such lot within two years following such date of purchase a suitable residence building to conform to the terms set forth in such instrument, with a proviso that the authority may on application of the original purchaser extend the period from time to time for good cause shown. Other reasonable restrictions designed to prevent such lots from becoming slum areas may be established by the authority for any development project and included in such agreement of sale or deeds as covenants running with the land for a term of twenty-one years.

(5) No residence lot shall be used for any purpose other than residence purposes for a period of twenty-one years following the date of the first sale of such lots by the authority; provided, that in the event that any such lot shall be zoned or rezoned by governmental authority for non-residence purposes, such restriction shall be relaxed to the extent permitted by such zoning laws or regulations.

(6) The provisions of paragraphs 1 and 2 of this section shall not be applicable to sale under foreclosure by a mortgagee of any such lot or the transfer of title by a mortgagee after foreclosure or otherwise to any agency of the United States government pursuant to the terms of any insurance or guarantee of mortgage loan by such agency, or to any subsequent purchaser.

(e) Effect of breach of restriction. Except as otherwise provided in this Act, any sale or attempted sale, contract or conveyance contrary to the provisions of subsection (d) hereof shall be void. Any use contrary to the provisions of subsection (d) may be enjoined by the Territory, the authority, or an owner or owners of the residence lots within the same development project. Except as otherwise provided in this Act, in the event that a sale, contract or conveyance contrary to the provisions of subsection (d) is attempted, or a use contrary to the provisions of subsection (d) is not voluntarily remedied or is not or cannot be remedied by injunction, or a building is not erected in accordance with subsection (d) (4), the lot affected shall be forfeited and title reverted in the authority upon suit by the Territory establishing any of the foregoing. Upon such forfeiture, the authority shall sell such lot at public auction, or at private sale, for the current market value, to a purchaser eligible to purchase from the authority in the first instance and the original purchaser reimbursed insofar as possible after deduction of costs of resale. It is provided, however, that in the event that

title to any such lot shall have passed to any obligee, or to any agency of the United States government pursuant to the terms of any insurance or guarantee of mortgage loss by such agency, no such forfeiture or reversion in the authority shall be enforced.

(f) Mortgage of residence lots. Nothing herein contained shall prevent the conveyance of a residence lot by way of mortgage to any person or corporation.

(g) Any other provision herein to the contrary notwithstanding, the authority shall give priority to qualified buyers whose average annual net income for the five years last preceding their application is not more than \$7000; provided, that the authority may agree to conditions as to buyer eligibility or preference required by the federal government pursuant to federal law in any contract for financial assistance with the authority.

(h) Nothing in this Act shall be construed as limiting the power of the authority: (1) to vest in an obligee the right, in the event of a default by the authority or by the purchaser, to take possession of a development project or lot or cause the appointment of a receiver thereof, free from all the restrictions imposed by this Act; or (2) to vest in the obligee the right, in the event of a default by the authority or by the purchaser, to acquire title to a development project or lot or the property mortgaged by the authority or by the purchaser free from all the restrictions imposed by this Act.

(i) Requirement to develop. Any land acquired by the authority which shall not have been subdivided and developed either by the authority or a private developer or be in the process of subdivision and development for residential use within two years from the date of its acquisition shall be offered for sale by the authority, free of any liens or encumbrances created by the authority, to the owner or owners from whom the fee simple ownership of the same was acquired by the authority, or their respective successors in interest, who shall have the right to purchase such land at the price which said land was purchased. Land shall be considered to be in the process of subdivision and development when the authority or the private developer shall have prepared subdivision and construction plans, arranged for financing, and applied to government agencies and otherwise as may be appropriate for the construction of the proposed development and shall be diligently prosecuting such development in good faith.

**SECTION 13. Power to lease, pledge or mortgage.** The authority also shall have power to lease or rent any of the dwellings or other accommodations or any of the lands, buildings, structures or facilities embraced in any development project until such time as it is practicable to sell the same in accordance with this Act and to establish and revise the rents or charges therefor; to mortgage or pledge any property, real or personal, or any interest therein to any person, firm, corporation or government; to enter upon any building or property in order to conduct investigations or to make surveys or soundings; to purchase, obtain options upon, acquire by gift, grant, bequest, devise or otherwise, any property, real or personal or any interest therein from any person, firm, corporation or government; to own, hold, clear and improve property; to insure or provide for the insurance of the property or operations of



the authority against such risks as the authority may deem advisable; to procure insurance or guarantees from the federal government of the payment of any debts or parts thereof secured by mortgages made or held by the authority on any property included in any development project.

**SECTION 14. Cooperative agreements with other government agencies.** The authority shall also have power to obtain the aid and cooperation of governments in the planning, construction and operation of development projects and to enter into such agreements and arrangements as it deems advisable to obtain such aid and cooperation; to arrange or enter into agreements with any government for the acquisition by such government of property, options or property rights or for the furnishings, installing, opening or closing of streets, roads, alleys, sidewalks or other places, or for the furnishing of property services, parks, sewage, water and other facilities in connection with development projects, or for the changing of the map of a political subdivision, or for the planning, replanning, zoning or rezoning of any part of the land included in a development project.

**SECTION 15. Hearings, witnesses, etc.** The authority shall also have power to hold hearings for the purpose of receiving evidence and in addition, shall have all the powers set forth in section 7-27 of the Revised Laws; all such hearings shall be public; and to require such agencies, boards or commissions as are charged with the duty of making investigations and studies of land and land uses to investigate and study such areas as it may designate and if investigations and studies have been made to present findings and recommendations with regard to such areas the authority may consider as possible development areas. Any of the investigations or examinations provided for in this Act may be conducted by the authority or by a committee appointed by it, consisting of one or more commissioners, or by counsel, or by an officer or employee specially authorized by the authority to conduct it. Any commissioner, counsel for the authority, or any person designated by it to conduct an investigation or examination shall have power to administer oaths, take affidavits and issue subpoenas or commissions.

**SECTION 16. Agents, including corporations.** The authority may exercise any or all of the powers conferred upon it, either generally or with respect to any specific development project or projects, through or by an agent or agents which it may designate, including any corporation or corporations which are or shall be formed under the laws of this Territory, and for such purposes the authority may cause one or more corporations to be formed under the laws of this Territory or may acquire the capital stock of any corporation or corporations. Any corporate agent, all of the stock of which shall be owned by the authority or its nominee or nominees, may to the extent permitted by law exercise any of the powers conferred upon the authority herein.

**SECTION 17. Investment of reserves.** The authority may invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control. No provisions with respect to the acquisition, operation or disposition of property by

other public bodies shall be applicable to the authority unless the Legislature shall specifically so state.

**SECTION 18. Additional powers.** The authority, in addition to its powers, shall have power, notwithstanding anything to the contrary contained in this Act or in any other provision of law :

(a) To agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects, and include in any construction contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions which the federal government may have attached to its financial aid of the project;

(b) To procure or agree to the procurement of insurance or guarantees from a government for the payment of any debts or parts thereof incurred by the authority including the power to pay premiums on any such insurance;

(c) To purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled.

**SECTION 19. Security for funds deposited by authority.** The authority may by resolution provide that all moneys deposited by it shall be secured: (a) by any securities by which funds deposited by the treasurer of the Territory may be legally secured as provided in section 133-3 of the Revised Laws, or (b) by an undertaking with such sureties as are approved by the authority faithfully to keep and pay over upon the order of the authority any such deposits and agreed interest thereon, and all banks and trust companies are authorized to give any such security for such deposits.

**SECTION 20. Eminent domain.** The authority shall have the right to acquire by the exercise of the power of eminent domain any real property, including fixtures and improvements, which it may deem necessary to carry out the purposes of this Act after the adoption by it of a resolution declaring that the acquisition of the property described therein is in the public interest and necessary for public use. The authority may exercise the power of eminent domain granted by this section in the same manner and with the same procedures as is provided by chapter 8 of the Revised Laws, and otherwise in accordance with all applicable provisions of the general laws of the Territory.

**SECTION 21. Contracts with federal government.** In addition to the powers conferred upon the authority by other provisions of this Act, the authority is empowered to borrow money or accept grants from the federal government for or in aid of any project which such authority is authorized to undertake, to take over any land acquired by the federal government for the construction or operation of a development project, to take over or lease or manage any development project constructed or owned by the federal government, and to these ends, to enter into such contracts, mortgages, leases or other agreements as the federal government may require including agreements that the federal

government shall have the right to supervise and approve the construction, maintenance and operation of such project. It is the purpose and intent of this Act to authorize the authority to do any and all things necessary to secure the financial aid and the cooperation of the federal government in the undertaking, construction, maintenance and operation of any project which the authority is empowered to undertake.

**SECTION 22. Contracts.** The authority, in addition to its other powers, shall have power to make, execute and carry out contracts for, or in connection with, any project in the name of the Territory, or in its own name, in the manner provided in sections 9-25 to 9-35 and 9-46 of the Revised Laws; and, with regard to such contracts, the term "officers," as used in sections 9-25 to 9-35 of the Revised Laws, shall be construed to mean and include the authority or such officer as shall be authorized by the authority to act as its contracting officer. Unless made and executed in the name of the Territory, each contract made and executed as authorized in this section shall state therein that it is so made and executed.

**SECTION 23. Performance bond, procedure.** Whenever the authority makes or enters into any contract as provided in section 22 above, it shall require a performance bond which shall be conditioned, executed and delivered as provided in section 193-20 of the Revised Laws. Whenever a performance bond is so required, all provisions of section 193-20 of the Revised Laws shall apply with equal force and effect to all such contracts so entered into by or with the authority, in which case the word "Territory" as used in section 193-20 of the Revised Laws shall be construed to mean and include the authority and the references to the officers or officer of the Territory in said section shall be construed to also mean and include the authority.

**SECTION 24. Exemption from taxation and assessments.** The authority and its property until resold or leased shall be exempt from any and all taxes and assessments whatsoever. Bonds, notes, debentures and other evidences of indebtedness of the authority are declared to be issued for a public purpose and to be public instrumentalities and, together with interest thereon, shall be exempt from taxes.

**SECTION 25. Exemption of property from execution sale.** All real property of the authority shall be exempt from mechanic's or materialmen's liens; provided, however, that recovery for such claims may be had from any performance bond supplied as required by section 23 above. Such real property shall also be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the authority be a charge or lien upon its real property; provided, however, that the provisions of this section shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of the authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by or with the consent of the authority.

**SECTION 26. Duty to make reports.** The authority shall at least once a year file with the governor a report of its activities for the preceding year, and shall make any recommendations with reference to

any additional legislation or other action that may be necessary in order to carry out the purposes of this Act.

**SECTION 27. Disclosure by private developer; public records.** A private developer or assign, as the term is used in this Act, shall forthwith file with the authority an enumeration or list of all persons directly or indirectly connected with him or it as a condition precedent to his or its acceptance as such private developer or assign by the authority. A private developer or assign who shall fail to comply herewith shall automatically forfeit all rights to any profit under this Act.

All bids and any or all records of a private developer or assign, relating to any and all transactions with the authority shall be public records, as defined in chapter 7 of the Revised Laws, and subject to such use as permitted by said chapter 7.

**SECTION 28. Bonds.** The authority may issue bonds including revenue bonds and refunding bonds issued for the purpose of paying or retiring bonds previously issued by the authority from time to time in such amounts as it may deem advisable for any of its corporate purposes. The authority may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable: (a) exclusively from the income and revenues of the development project financed with the proceeds of such bonds, or with such proceeds together with a grant from the federal government in aid of such project; (b) exclusively from the income and revenues of certain designated development projects whether or not they were financed in whole or in part with the proceeds of such bonds; or (c) from its revenues generally. Any of such bonds may be additionally secured by a pledge of any revenues or a mortgage of any project, projects or other property of the authority.

Neither the commissioners nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof.

**SECTION 29. Territory and political subdivisions not liable on bonds.** The bonds and other obligations of the authority (and such bonds and obligations shall so state on their face) shall not be a debt of the Territory or of any political subdivision; neither the Territory nor political subdivisions shall be liable thereon, nor in any event shall they be payable out of any funds or properties other than those of the authority. The bonds shall not be considered public indebtedness within the meaning of section 55 of the Organic Act, nor shall such bonds constitute an indebtedness within the meaning of any other debt limitation or restriction. Bonds may be issued under this Act notwithstanding any debt or other limitation prescribed by any statute.

**SECTION 30. Form and sale of bonds.** The bonds of the authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, not exceeding sixty years from the date thereof, bear interest at such rate or rates, not exceeding six per centum per annum, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms or redemption

(with or without premium) as such resolution, its trust indenture or mortgage may provide.

The bonds may be sold at not less than par at public sale held after notice published once at least five days prior to such sale in a newspaper having a general circulation in the Territory; provided, however, that such bonds may be sold at not less than par to the federal government at private sale without any public advertisement.

In case any of the commissioners or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such commissioners or officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this Act shall be fully negotiable.

In any suit, action or proceedings involving the validity or enforcement of any bond of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a development project shall be conclusively deemed to have been issued for a development project and said project shall be conclusively deemed to have been planned, located and constructed in accordance with the purposes and provisions of this Act.

**SECTION 31. Provisions of bonds and mortgages.** In connection with the issuance of bonds or the incurring of any obligation and to secure the payment of such bonds or obligations, the authority in addition to its other powers may:

(a) Pledge all or any part of its revenues to which its right then exists or may thereafter come into existence;

(b) Mortgage all or any part of its property, real or personal, then owned or thereafter acquired, including any of the public domain owned or acquired by it;

(c) Covenant against mortgaging all or any part of its property, real or personal, then owned or thereafter acquired, or against permitting or suffering any lien thereon;

(d) Covenant with respect to limitations on its right to sell, lease or otherwise dispose of any project or any part thereof;

(e) Covenant against pledging all or any part of its revenues to which its right then exists or may thereafter come into existence, or against permitting or suffering any lien thereon;

(f) Covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof;

(g) Covenant as to what other, or additional debts may be incurred by it;

(h) Provide for the replacement of lost, destroyed or mutilated bonds;

(i) Covenant that the authority warrants title;

(j) Covenant as to the amount to be raised each year or other period of time by revenues, and as to the use and disposition to be made thereof;

(k) Covenant as to the use of any or all of its property, real or personal;

(l) Create or authorize the creation of special funds segregating the proceeds of any loans or grants, the revenue of any project or projects, reserves for principal and interest on its bonds and for operating contingencies, and other reserves; and covenant as to the use and disposal of the moneys held in such funds;

(m) Redeem the bonds, and covenant for their redemption, and provide the terms and conditions thereof;

(n) Covenant against extending the time for the payment of its bonds or interest thereon;

(o) Prescribe the procedure, if any, by which the terms of any contract with bond holders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(p) Covenant as to the maintenance of its property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys;

(q) Vest in an obligee, in the event of a default by the authority, the right to cure any such default and to advance any moneys necessary for such purpose, and covenant that the moneys so advanced be an additional obligation of such authority with such interest, security and priority as may be provided in any mortgage, lease or contract;

(r) Covenant and prescribe as to the events of default and terms and conditions upon which any or all of its bonds shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived;

(s) Covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition, or obligation;

(t) Covenant to surrender possession of a project or projects or parts thereof upon the happening of an event of default; and vest in an obligee the right, upon such default and without judicial proceedings, to take possession and use, operate, manage and control such projects or any parts thereof, and to collect and receive revenues arising therefrom in the same manner as such authority itself might do, and to dispose of the moneys collected in accordance with the agreement of such obligee with the authority;

(u) Vest in a trustee or trustees the right to enforce any covenant to secure, or pay the bonds, or otherwise relating to such bonds; provide for the powers and duties of such trustee or trustees, limit the liabilities thereof, and provide the terms and conditions upon which the trustee or trustees, or the holders of bonds, or any proportion of them may enforce any such covenant;

(v) Vest in a government or in a trustee the right, upon the happening of an event of default, to foreclose the mortgage securing any bonds held by such government, through judicial proceedings or through the exercise of a power of sale without judicial proceedings;

(w) Vest in other obligees the right, upon the happening of an event of default, to foreclose any mortgage through judicial proceedings;

(x) Vest in any obligee, the right to foreclose any such mortgage as to all or such part or parts of the property covered thereby as such obligee shall elect; the institution, prosecution and conclusion of any such foreclosure proceedings or the sale of any such parts of the mortgaged property shall not affect in any manner or to any extent the lien

of the mortgage on the parts of the mortgage property not included in such proceeding or not sold as aforesaid;

(y) Make covenants other than, and in addition to, the covenants herein expressly authorized, of like or different character; and execute all instruments necessary or convenient in the exercise of the powers herein granted, or in the performance of its covenants or duties, which may contain such covenants and provisions, in addition to those above specified, as the government or any purchaser of the bonds of the authority may require;

(z) Make such covenants and do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or in the absolute discretion of the authority tend to make the bonds more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein.

**SECTION 32. Remedies of an obligee: mandamus; injunction; possessory action; receiver; accounting, etc.** An obligee of the authority shall have the right in addition to all other rights which may be conferred on such obligee subject only to any contractual restrictions binding upon such obligee, and subject to the prior and superior right of others:

(a) By mandamus, suit, action or proceeding in law or equity to compel the authority, and the commissioners, members, officers, agents or employees thereof to perform each and every term, provision and covenant contained in any contract of the authority, and to require the carrying out of any or all covenants and agreements of the authority and the fulfillment of all duties imposed upon the authority by this Act;

(b) By suit, action or proceeding in equity to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of the authority;

(c) By suit, action or proceeding in any court of competent jurisdiction to cause possession of any project or any part thereof to be surrendered to any obligee having the right to such possession pursuant to any contract of the authority;

(d) By suit, action or proceeding in any court of competent jurisdiction, upon the happening of an event of default (as defined in a contract of the authority), to obtain the appointment of a receiver of any development project of the authority or any part or parts thereof, and if such receiver be appointed, he may enter and take possession of such project or any part or parts thereof and operate and maintain same, and collect and receive all revenues, or other charges thereafter arising therefrom in the same manner as the authority itself might do and shall keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of the authority as the court shall direct;

(e) By suit, action or proceeding in any court of competent jurisdiction to require the authority and the commissioners thereof to account as if it and they were the trustees of an express trust.

**SECTION 33. Subordination of mortgage to agreement with government.** The authority may agree in any mortgage made by it that such mortgage shall be subordinate to a contract for the supervision by a government of the operation and maintenance of the mortgaged

property and the construction of improvements thereon. In such event, any purchaser or purchasers at a sale of the property of the authority pursuant to a foreclosure of such mortgage or any other remedy in connection therewith shall obtain title subject to such contract.

**SECTION 34. Development project bonds as legal investments.** The Territory and all of its public officers, municipal corporations, political subdivisions, and public bodies, all banks, bankers, trust companies, savings banks and institutions, including savings and loan associations, all investment companies, insurance companies, insurance associations and other persons carrying on an insurance business in the Territory, and all executors, administrators, guardians, trustees and other fiduciaries in the Territory may legally invest moneys or funds belonging to them or within their control and available for investment under other provisions of law, in any bonds or other obligations issued by the authority, or in any bonds or other obligations issued by any authority or agency in the United States when the bonds or other obligations of such authority or agency secured by a pledge of annual contributions or other financial assistance to be paid by the federal government or any agency thereof, and such bonds and other obligations of the authority and such bonds and other obligations of any such authority or agency shall be authorized security for all public deposits and shall be fully negotiable in the Territory. It is the purpose of this section to authorize any of the foregoing to use any funds owned or controlled by them, including (but not limited to) sinking, insurance, investment, retirement, compensation, pension and trust funds, and funds held on deposit, for the purchase of any such bonds or other obligations; provided, that nothing contained in this section shall operate to relieve any person, firm or corporation from liability for failure to exercise reasonable care in selecting investments or, in the case of a guardian or trustee, from liability for failure to exercise the judgment and care to observe the duties required of a guardian or trustee by sections 179-14 and 340-6, of the Revised Laws.

**SECTION 35. Policy as to sale prices and rentals.** It is hereby declared to be the policy of the Territory that the authority (acting directly or by an agent or agents) shall manage and operate its development projects in an efficient manner so as to enable it to fix the rentals or prices for lands at the lowest possible rates or sales prices consistent with the purposes of this Act; and that the authority shall not construct or operate any such project for profit, or as a source of revenue to the Territory. To this end the authority shall fix the sales prices for residential lots or rentals for lots or buildings in its projects at no higher rates or prices than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the authority from whatever sources derived) will be sufficient: (a) to pay, as the same become due, the principal and interest on the bonds of the authority; (b) to meet the cost of, and to provide for, maintaining and operating the projects (including the cost of any insurance) and the administrative expenses of the authority; and (c) to create a reserve sufficient to meet the largest principal and interest payments which will be due on such bonds in any one year thereafter and to maintain such reserve.



**SECTION 36. Agreement to secure federal contributions.** In addition to the powers conferred upon the authority by other provisions of this Act, the authority in any contract for annual contributions with the federal government may obligate itself (which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other laws) to convey to the federal government possession of or title to the project to which such contract relates, upon the occurrence of a substantial default (as defined in such contract) with respect to the covenants or conditions to which the authority is subject. Such contract may provide further that in case of such conveyance, the federal government may complete, operate, manage, lease, convey or otherwise deal with the project in accordance with the terms of such contract; provided, that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults with respect to the project have been cured and that the project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the authority the project as then constituted.

**SECTION 37. Payments to public bodies.** The authority may agree to make such payments to the Territory, or any political subdivisions thereof (which payments such bodies are hereby authorized to accept) as the authority finds consistent with the achievement of the purposes of this Act.

**SECTION 38. Conveyance, lease or agreement in aid of development projects, purchase of bonds.** For the purpose of aiding and co-operating in the planning, construction and operation of development projects located within their respective territorial boundaries, the Territory, its political subdivisions and agencies, may, upon such terms, with or without consideration, as it may determine:

(a) Dedicate, grant, sell, convey or lease any of its property, or grant easements, licenses or any other rights or privileges therein to the authority or to the United States or any agency thereof;

(b) To the extent that it is within the scope of each of their respective functions: (1) cause the services customarily provided by each of them to be rendered for the benefit of development projects and the occupants thereof; (2) provide and maintain parks and sewage, water, lights and other facilities adjacent to or in connection with such projects; (3) open, close, pave, install, or change the grade of streets, roads, roadways, alleys, sidewalks, or other such facilities; and (4) change the map of a political subdivision or plan, replan, zone or rezone any part of a political subdivision;

(c) Enter into agreements with the authority with respect to the exercise of their powers relating to the preparation of designated development areas for such projects;

(d) Employ (notwithstanding the provisions of any other laws as to what constitute legal investments) any available funds belonging to them or within their control, including funds derived from the sale or furnishing of property or facilities to the authority, in the purchase of the bonds or other obligations of the authority to the extent provided by section 35, and exercise all the rights of any holder of such bonds or other obligations;

(e) Do any and all things, necessary or convenient to aid and cooperate in the planning, undertaking, construction of such development projects;

(f) Enter into contracts with the authority or the United States for any period, agreeing to exercise any of the powers conferred hereby or to take any other action in aid of such development projects.

In connection with the exercise of this power, any political subdivision may incur the entire expense of any such public improvements located within its territorial boundaries without assessment against abutting property owners.

For the purpose of aiding and cooperating in the planning, construction and operation of development projects, the commissioner of public lands, the Hawaiian homes commission and any other officers of the Territory having power to manage or dispose of its public lands, may, with the approval of the governor and with or without consideration, grant, sell, convey or lease for any period, any parts of such public lands (without limit as to area) to the authority or to the United States or any agency thereof.

Any law or statute to the contrary notwithstanding, any gift, grant, sale, conveyance, lease or agreement provided for in this section may be made by the Territory, its political subdivisions and agencies, without appraisal, public notice, advertisement or public bidding.

If at any time title to, or possession of, any development project is held by any public body or governmental agency authorized by law to engage in development projects or administration of development projects, including any agency or instrumentality of the United States, the provisions of any agreement made under this Act relating to such project shall inure to the benefit of and may be enforced by such public body or governmental agency.

Insofar as the provisions of this section are inconsistent with the provisions of any other law, the provisions of this section shall be controlling.

**SECTION 39. Governmental advances and donations.** The chairman of the authority shall submit to the Legislature at each regular session estimates of the amount of the administrative expenses and overhead of the authority for the succeeding biennial period, so that the Legislature may make an appropriation therefor if it deems such action advisable.

Any political subdivisions within the territorial boundaries of which a development project or projects are located or about to be located shall have power from time to time to make donations or advances to the authority of such sums as such political subdivision in its discretion may determine, such advances or donations to be made for the purpose of aiding or cooperating in the construction and operation of such development project or projects. The authority, when it has money available therefor, shall reimburse political subdivisions for all advances made by way of a loan to it.

**SECTION 40. Action of political subdivision by resolution.** All action authorized to be taken under this Act by any governing body of any political subdivision may be by resolution adopted by a majority of all the members of its governing body, which resolution may be adopted at the meeting of the governing body at which such resolution is introduced and shall take effect immediately upon such adoption, and no such resolution need be published or posted.

**SECTION 41. Purpose of Act.** It is the purpose and intent of the Legislature that the Territory and its political subdivisions and agencies, shall be authorized, and are hereby authorized, to do any and all things necessary to aid and cooperate in the planning, construction, sale, lease and operation of development projects by the authority or the United States.

**SECTION 42. Revolving fund.** The treasurer is hereby authorized and directed to set up, out of any moneys heretofore or hereafter appropriated for the purposes of this part, a revolving fund to be known as "the development revolving fund". All unexpended balances of appropriations, allocations, allotments, special revolving funds, or other funds heretofore created and made available for the purposes of developing or administering any project subject to the provisions of this Act shall be transferred to the development project revolving fund and are hereby appropriated for the purposes of this Act; provided, however, that any unexpended balances in any special revolving funds or other funds created and made available for the authority, in whole or in part, with federal funds or with assistance from the federal government or for housing undertaken pursuant to contract between the federal government and the Territory or the authority shall be segregated from other funds and shall be deposited and maintained as required by the federal government.

All moneys received by the authority under or pursuant to the provisions of this Act, including refunds, reimbursements, revenues, shall be deposited in the said revolving fund, to the extent permitted by federal law or regulation, and are hereby appropriated for the purposes of this Act. Except as otherwise provided herein, the said revolving fund may be expended by the authority for any and all of the purposes of this Act, including, without prejudice to the generality of the foregoing, the acquisition, clearance and improvement of property; the construction and reconstruction of building sites; the development and administration of development projects and administration and other expenses. The provisions of this section shall be subject to applicable federal law and regulation, to any contracts between the federal government and the Territory or the authority relating to development projects subject to this Act, and to the terms and conditions of contributions or other assistance from the federal government.

**SECTION 43. Conformity with federal law.** In carrying out this Act the Territory and the authority shall cooperate, to the fullest extent consistent with the provisions of this part, with the federal government, and shall respectively take such action, through the adoption of appropriate rules, regulations, administrative methods and standards, as may be necessary to secure to this Territory all advantages available under the provisions of any federal law or regulation.

**SECTION 44. Existing obligations, no impairment.** Nothing contained in this part shall impair or affect any outstanding notes, contracts or obligations of the Territory or of the authority.

**SECTION 45. Appropriation and advances.** There is hereby appropriated from the general funds of the Territory not otherwise appropriated, the sum of \$125,000 as an advance to the authority for use by it for all its corporate purposes except the payment of its bonds. All sums hereby appropriated shall be expended upon warrants issued by the comptroller upon vouchers approved by the chairman of the authority acting on behalf of the authority.

**SECTION 46. Severability.** Notwithstanding any other evidence of legislative intent, it is hereby declared to be the controlling legislative intent that if any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act and the application

of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

**SECTION 47. Effective date.** This Act shall take effect upon its approval, or, if, at the time of its approval the consent of the Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the Legislature of the State of Hawaii.

(Approved June 12, 1959.) **S.B. 7.**

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**J. R. 1**

Joint Resolution Adopting "The Aloha State" as the Popular Name for the State of Hawaii.

WHEREAS, the Territory of Hawaii is about to become the State of Hawaii; and

WHEREAS, Hawaii has been known for decades throughout the entire world as the "Land of Aloha"; and

WHEREAS, the sister states of Hawaii in the United States of America have customarily adopted an appropriate "popular name", and it is therefore most fitting that Hawaii do likewise; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** The name, "The Aloha State" be hereby adopted, established, and designated as the official "popular" name for the State of Hawaii, to be effective so long as the Legislature of the State of Hawaii does not otherwise provide.

**SECTION 2.** This Joint Resolution shall take effect upon its approval.

(Approved April 23, 1959.) **S.J.R. 75.**

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**J. R. 2**

Joint Resolution Amending Section 73(g) of the Hawaiian Organic Act Relating to the Necessity for Consent to Mortgage Public Lands Subject to a Certificate of Occupation, Right of Purchase Lease, Cash Freehold Agreement or Special Homestead Agreement, or to a Patent Issued Thereon.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

**SECTION 1.** Section 73(g) of the Hawaiian Organic Act is hereby amended by substituting for the period at the end of the first sentence thereof, a colon, and adding the following proviso:

"Provided, That if consent be given to a mortgage or other transfer for security purposes to an established lending agency and such agency be the Federal Housing Administration or other similar federal or territorial agency or a corporation authorized to do business as a lending agency in the Territory or elsewhere in the United States, no further consent shall be required for: (1) any subsequent assignment or reassignment made by such agency or assignee thereof to a like lending agency for refinancing or other security purposes; or (2) any transfer made at a

foreclosure sale held pursuant to the provisions of said mortgage or transfer for security purposes; or (3) any subsequent transfer made by the purchaser at said foreclosure sale if the transferor shall be such agency or assignee thereof, provided that all other or further disposition shall be made only in accordance with the provisions of this Act."

SECTION 2. This Joint Resolution shall take effect upon its approval, or, if at the time of its approval the consent of the Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the legislature of the State of Hawaii.

(Approved May 1, 1959.) **S.J.R. 49.**

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### J. R. 3

Joint Resolution Designating the Kukui Tree as the Official Tree of the State of Hawaii.

WHEREAS, the kukui tree is a tree native to all the islands of Hawaii; and

WHEREAS, the multiplicity of its uses to the ancient Hawaiians for light, fuel, medicine, dye and ornament and its continued value to the people of modern Hawaii, as well as the distinctive beauty of its light green foliage which embellishes many of the slopes of our beloved mountains, causes the kukui tree to be especially treasured by the people of the Fiftieth State of the United States as an arboreal symbol of Hawaii nei; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The kukui tree, also known as the candlenut tree (*Aleurites Moluccana*), is hereby adopted, established and designated as the official tree of the State of Hawaii, to be effective so long as the Legislature of the State of Hawaii does not otherwise provide.

SECTION 2. This Joint Resolution shall take effect upon its approval.

(Approved May 1, 1959.) **H.J.R. 98.**

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### J. R. 4

Joint Resolution Adopting "Ua Mau Ke Ea O Ka Aina I Ka Pono" as the Motto of the State of Hawaii.

WHEREAS, the words, "Ua mau ke ea o ka aina i ka pono," were given to the people of Hawaii by King Kamehameha III on the historic occasion of the restoration of the Hawaiian flag to the Kingdom of Hawaii by the British in 1843; and

WHEREAS, this motto has graced the coat of arms of the Kingdom of Hawaii, the seal of the Republic of Hawaii and the seal of the Territory of Hawaii; and

WHEREAS, it is particularly fitting, as the fifty-star flag of the United States of America is to be raised over the State of Hawaii, that

the motto which has inspired generations of the people of Hawaii through successive forms of government should continue to serve as a guide and watchword to the people of the State of Hawaii; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The motto "Ua mau ke ea o ka aina i ka pono," to be translated "The life of the land is perpetuated in righteousness," is hereby adopted, established and designated as the official motto of the State of Hawaii, to be effective for so long as the Legislature of the State of Hawaii does not otherwise provide.

SECTION 2. This Joint Resolution shall take effect upon its approval.

(Approved May 1, 1959.) **H.J.R. 104.**

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### J. R. 5

Joint Resolution Requesting the Farm Credit Administration to Establish an Office in the Territory.

WHEREAS, the economic welfare of the Territory is becoming more intimately bound with the economic welfare of the nation; and

WHEREAS, farming has always played an important part in the economic life of the Territory and will play an increasingly important part; and

WHEREAS, additional credit adapted specifically to the needs of farmers is necessary for a greater development of farming in the Territory; and

WHEREAS, the type of credit made available by and through the Farm Credit Administration would assist immeasurably in the development of farming in the Territory; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Farm Credit Administration is hereby respectfully requested to establish an office in the Territory, so as to make available to farmers in the Territory the type of credit which that administration has extended to farmers all over mainland United States.

SECTION 2. Certified copies of this Joint Resolution shall be forwarded to the President of the United States, the Secretary of Agriculture, the Delegate to Congress from Hawaii and the governor of the Farm Credit Administration.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 7, 1959.) **H.J.R. 69.**

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### J. R. 6

Joint Resolution Requesting the Congress of the United States to Authorize the Secretary of the Navy to Remove Certain Restrictions to Land Situate at Wailuku, Maui, Territory of Hawaii.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to amend Public Law 377, 82nd Congress, 2nd Session (66 Stat. 128), Section 2 (a) to read:

“(A) That the Territory shall not alienate its title to the property conveyed nor shall it lease the same or any part thereof except for public airport purposes: Provided, That particular structures and parcels of land not required or used for airport purpose may be sold, exchanged or leased by the Territory with the consent of the Secretary of Navy, provided further, that the proceeds therefrom or the property received in exchange therefor be used for airport purpose; and the Secretary of the Navy is authorized to execute an instrument in conformance with this Act.”

SECTION 2. Certified copies of this Joint Resolution, upon its adoption, shall be forwarded to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, the Secretary of the Interior, the Secretary of Defense, and the Secretary of the Navy of the United States, and the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 8, 1959.) **H.J.R. 102.**

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### J. R. 7

Joint Resolution Requesting the President of the United States to Declare Certain Days to be Holidays for Federal Employees in Hawaii to Enable the Full Celebration of the Advent of Statehood.

WHEREAS, the several departments and agencies of the United States operate offices in the Territory of Hawaii; and

WHEREAS, Hawaii will soon be admitted into the Union as a state; and

WHEREAS, the advent of statehood will cause to be declared territorial or state holidays, as the case may be, any or all of the following days for the initial celebration of Statehood, namely: Plebiscite Day, Admission Day, Flag Day, and other such days that may be designated in the future; and

WHEREAS, such holidays should be celebrated by the residents of Hawaii; and

WHEREAS, it is hoped that those residents of Hawaii employed by the several departments and agencies of the United States will be able to celebrate such holidays with the other residents of Hawaii; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The President of the United States is hereby requested to declare as holidays for employees of the United States in Hawaii those days celebrating the advent of statehood for Hawaii, to-wit: Plebiscite Day, Admission Day, Flag Day and other such days that may be designated in the immediate future and during ensuing years.

SECTION 2. That certified copies of this Joint Resolution be forwarded to the President of the United States and the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 8, 1959.) **H.J.R. 95.**

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### J. R. 8

Joint Resolution Requesting the Secretary of the United States Department of the Interior to Consider Hawaii as a Site for a Saline Water Conversion Demonstration Plant.

WHEREAS, Public Law 85-883, 85th Congress of the United States, authorizes the construction of saline water conversion demonstration plants by the U. S. Department of the Interior; and

WHEREAS, Public Law 85-883 directs that the first five conversion plants shall be located in the continental United States; and

WHEREAS, the location of any additional conversion plants, if appropriations are sufficient, will be at the discretion of the Secretary, U. S. Department of the Interior; and

WHEREAS, Hawaii's expanding population, increasing industrialization, military operations, and extensive agriculture are making ever greater demands on its water resources; and

WHEREAS, on all of the Islands of the Territory there are comparatively large areas of land with economic development potentials with an abundance of both brackish water and sea water available for use if converted to fresh water; and

WHEREAS, the Territory has ample qualified technical personnel to assist in the establishment, operation and evaluation of a saline water conversion demonstration plant; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Secretary of the U. S. Department of Interior is hereby respectfully requested to give consideration to Hawaii as a site for a saline water conversion demonstration plant under the provisions of Public Law 85-883, 85th Congress.

SECTION 2. Duly certified copies of this Joint Resolution shall be forwarded to the Secretary, U. S. Department of the Interior and to the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 9, 1959.) **H.J.R. 70.**

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### J. R. 9

Joint Resolution Requesting the Congress of the United States to Amend the Internal Revenue Act of 1954, as Amended, so That Income From the Sale of Perennial Crops May Be Prorated to the Number of Years Required to Cultivate the Crops.



WHEREAS, income derived from the cultivation of perennial crops is attributable to the year the income is received; and

WHEREAS, income derived from the production of sugar cane in any one year is distorted since the crop requires more than one year of cultivation; and

WHEREAS, actors and inventors under section 1302 of the Internal Revenue Act of 1954, as amended, receive tax relief by prorating their income; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to amend the Internal Revenue Act of 1954, as amended, Public Law 591, 83rd Congress, 2nd Session, 68 Stat. 730 so as to permit farmers cultivating perennial crops to prorate their income over the number of years required to cultivate the crops before they are harvested.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, to the Secretary of Agriculture, and to the Delegate to the Congress from the Territory.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 12, 1959.) **H.J.R. 39.**

### J. R. 10

Joint Resolution Requesting the Congress of the United States to Construct a Second Breakwater at Port Allen, Kauai.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to provide funds to the United States Army Corps of Engineers for the construction of a second breakwater at Port Allen, Kauai, to provide further protection from recurrent tidal damages.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, the Secretary of the Interior, and the Delegate to the Congress from the Territory of Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 12, 1959.) **H.J.R. 58.**

### J. R. 11

Joint Resolution Requesting the Hawaii Housing Authority to Study the Possibility of Making Land and Housing Available to Certain Retired Persons.

WHEREAS, Hawaii's population, reflecting the national trend, is made up of an increasingly greater proportion of retired persons; and

WHEREAS, one of the basic principles of human welfare is the concern of the community for the well-being and happiness of all its citizens, including the aged; and

WHEREAS, retired persons, having contributed much to Hawaii during their active years, deserve every consideration in improving their circumstances; and

WHEREAS, the economic development of the Territory would be enhanced by the making of land and housing available to retired persons in need of some financial assistance to continue to render their contributions to Hawaii; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Hawaii Housing Authority shall study the feasibility of making suitable housing available to retired persons, who are in need of assistance with a certain minimum residence requirement as may be recommended by the authority based upon its study, by making public lands available to them under liberal terms. The results of such study shall be presented to the next legislature within the first ten days of its session.

SECTION 2. The Commissioner of Public Lands be and he is hereby directed to assist and cooperate with the Hawaii Housing Authority in the aforesaid study to be made.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 15, 1959.) **H.J.R. 71.**

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## J. R. 12

Joint Resolution Requesting the Congress of the United States of America to Authorize the Hawaiian Homes Commission to Approve and Guarantee Loans Made to Hawaiian Homes Homesteaders by Private Financing Institutions, Amending the Hawaiian Homes Commission Act, 1920 (42 Stat. 108), as Amended.

WHEREAS, the Hawaiian Homes Commission Act, 1920, as amended, does not empower the Hawaiian Homes Commission to guarantee loans made by private financial houses to prospective and existing homesteaders; and

WHEREAS, the Hawaiian Homes Commission is entrusted with a limited fund for loan purposes; and

WHEREAS, the Hawaiian Homes Commission is finding difficulty in placing qualified homesteaders on available public lands because of the financing problems; and

WHEREAS, private lending institutions have expressed willingness to make loans to homesteaders for home construction or repair purposes if the Hawaiian Homes Commission would guarantee such loans; and

WHEREAS, funds made available in this manner would further the purposes of the Hawaiian Homes Commission Act of 1920, as amended; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to amend the Hawaiian Homes Commission Act, 1920 (42 Stat. 108) as amended, by authorizing the Hawaiian Homes Commission to approve and guarantee loans not exceeding \$10,000 made to Hawaiian homes homesteaders by private financial institutions, said guarantee not to exceed \$10,000 for each homesteader.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, the Secretary of the Interior, and the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 18, 1959.) **H.J.R. 54.**

### J. R. 13

Joint Resolution Requesting the Congress of the United States to Enact Legislation to Provide for a Survey of the Shipping Channel and Harbor of the Kahaluu Area, Oahu, by the United States Army Corps of Engineers.

WHEREAS, the existing channel off Kahaluu, Oahu, now under limited use for shipping purposes by the United States Navy should be developed to allow greater use by other navigable military and commercial vessels; and

WHEREAS, the development of harbor facilities at Kahaluu, Oahu, would ease the congestion at Honolulu Harbor and further benefit the Territory by stimulating the economic growth of windward Oahu; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation to appropriate funds for a survey of the channel at Kahaluu, Oahu, and of harbor facilities in the area, and to direct the United States Army Corps of Engineers to conduct the survey and to prepare plans for the widening of the channel and for the development of a harbor at Kahaluu, Oahu.

SECTION 2. Certified copies of this Joint Resolution shall be forwarded to the President of the Senate and to the Speaker of the House of Representatives of the United States Army Corps of Engineers and to the Delegate to the Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 18, 1959.) **H.J.R. 116.**

**J. R. 14**

Joint Resolution Requesting the Congress of the United States to Amend the Agricultural Adjustment Act of 1938, as Amended, to Include Coffee Under the Parity Payment Program.

WHEREAS, the Congress of the United States has passed numerous legislative measures assisting farmers in the production of specific agricultural commodities; and

WHEREAS, such assistance and support through programs authorized by the Agricultural Adjustment Act of 1938, as amended, is necessary to encourage the growing of coffee in the Territory of Hawaii; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation to include coffee among the basic agricultural commodities assisted and supported by programs under the Agricultural Adjustment Act of 1938, as amended, and to authorize parity payments to coffee growers in the Territory of Hawaii.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, to the Secretary of Agriculture and to the Delegate to the Congress from the Territory of Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 18, 1959.) **H.J.R. 46.**

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**J. R. 15**

Joint Resolution Requesting the Congress of the United States of America to Amend 8 USC Section 1440a to Permit Aliens Serving in the Armed Forces After June 29, 1950, to File Petitions for Naturalization Until December 31, 1965.

WHEREAS, 8 United States Code, Section 1440a permits the naturalization of aliens serving in the armed forces after June 29, 1950, if such aliens filed petitions for naturalization by December 31, 1955; and

WHEREAS, although this privilege has been terminated, there are still many aliens who have actively served or are actively serving honorably to whom this privilege should be extended; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States of America is hereby respectfully requested to amend Section 1440a, Title 8, United States Code, to permit aliens who have actively served or are actively serving honorably in the armed forces of the United States after June 29, 1950, to file petitions for naturalization until December 31, 1965.

SECTION 2. Certified copies of this Joint Resolution shall be transmitted to the President of the United States, to the President of the

Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 19, 1959.) **H.J.R. 90.**

### J. R. 16

Joint Resolution Requesting the United States Congress to Enact Legislation to Permit Entry into the United States of Wives and Minor Children of Filipino Aliens Who Have Established Permanent Residence in the United States.

WHEREAS, many men who are citizens of the Republic of the Philippines are now permanent residents of the United States, but have wives and minor children living in the Philippine Islands; and

WHEREAS, such Filipino residents have contributed much to the economic development of Hawaii; and

WHEREAS, it would be to the interest of community growth to have the families of such Filipino residents reunited; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation to permit the wives and minor children of citizens of the Republic of the Philippines who were legally within the United States prior to July 2, 1946, and who have established permanent residence therein, to enter the United States as non-quota immigrants.

SECTION 2. Certified copies of this Joint Resolution shall be forwarded to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, the Attorney General of the United States, the Secretary of State and to the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 19, 1959.) **H.J.R. 100.**

### J. R. 17

Joint Resolution Pertaining to the Hoolehua Store Building, Hoolehua, Molokai.

WHEREAS, the Hoolehua Store building, Hoolehua, Molokai, has been acquired by the Hawaiian Homes Commission from the now defunct Hoolehua Corporation; and

WHEREAS, the Hawaiian Homes Commission is charged with the rehabilitation of the people of Hawaiian ancestry; and

WHEREAS, the Homesteaders' Cooperative Association is an association of people of Hawaiian ancestry and is presently occupying a

portion of the Hoolehua Store building for the purposes of said Association; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Hawaiian Homes Commission shall allow the Homesteaders' Cooperative Association to use and occupy that portion of the Hoolehua Store building at Hoolehua, Molokai, which said association presently uses, free of any rent, provided and subject to the following conditions: (1) that the rent-free period shall continue so long as the said Hoolehua Store building shall remain standing, but not to exceed a period of 15 years commencing from the effective date of this Resolution; (2) that the association shall use the space presently being used by the association for the purposes set forth in the articles of incorporation or by-laws of said association; (3) that the association shall not sublease or assign or permit the use of any portion of the premises allotted to said association to others; and (4) that the portion used by the association shall be kept in a manner which shall not endanger by fire, the remaining portion of the building.

SECTION 2. This Joint Resolution shall take effect upon its approval.

(Approved May 21, 1959.) **H.J.R. 89.**

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### J. R. 18

Joint Resolution Requesting the Congress of the United States of America to Provide that the Territory of Hawaii Receive Equal Consideration Under the Federal-Aid Highway Program and Appropriations Made Therefor.

WHEREAS, the Highway Revenue Act of 1956 imposes certain taxes on the purchase, use and operation of motor vehicles; and

WHEREAS, the Territory of Hawaii is an integral part of the United States of America and the taxes apply therein; and

WHEREAS, certain amounts collected thereunder are appropriated to the Highway Trust Fund for expenditure on the construction and reconstruction of highways on the federal-aid systems and the National System of Interstate and Defense Highways; and

WHEREAS, certain highways in the Territory of Hawaii are vital to the National Defense; and

WHEREAS, the Territory of Hawaii does not now receive full and equal consideration in the authorizations and apportionment of federal-aid highway funds; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States of America is hereby requested to enact legislation to provide that the Territory of Hawaii shall receive full and equal consideration in the federal-aid highway program and in any federal funds authorized and apportioned therefor.

SECTION 2. Certified copies of this Joint Resolution shall be transmitted to the President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, the Secretary of Commerce, the Secretary of Defense and to the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 29, 1959.) **S.J.R. 10.**

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### J. R. 19

Joint Resolution Requesting the Congress of the United States to Eliminate Federal Taxes Upon Passenger Transportation Between Islands of the Territory.

WHEREAS, the geography of the islands comprising the Territory of Hawaii dictates that transportation between the several parts of the Territory be on or over water; and

WHEREAS, the burden of the federal transportation tax rests much more heavily upon the residents of the Territory than upon the residents of the continent in that the people of the Territory are heavily dependent upon transportation subjected to the tax in order to carry on their normal business and social lives; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to eliminate taxes upon passenger transportation between the several islands comprising the Territory of Hawaii.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, and to the Delegate to Congress from Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved May 29, 1959.) **S.J.R. 42.**

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### J. R. 20

Joint Resolution Authorizing Lump Sum Retirement System Payment to Caroline Lederer.

WHEREAS, W. Lloyd Lederer, formerly a deputy bank examiner with the treasury department, Territory of Hawaii, died in Honolulu on September 13, 1955; and

WHEREAS, at the time of his death, he was a member of the Employees' Retirement System of the Territory of Hawaii and left as his beneficiary his widow, Mrs. Caroline Lederer; and

WHEREAS, under the provisions of section 6-51, Revised Laws of Hawaii 1955, Mrs. Caroline Lederer was entitled to have paid to her Mr. Lederer's accumulated contribution to the system together with an amount equal to 50% of the compensation earnable by him during the year immediately preceding his death or a total amount of \$11,891.90; and

WHEREAS, in accord with Option D of section 6-51, Mrs. Lederer elected to have the amount of \$11,891.90 paid to her by way of a reduced annuity of \$52.78 per month, payable for life, which she has been receiving since September 14, 1955; and

WHEREAS, Mrs. Lederer, although employed, has been in ill health for some time and the monthly annuity has not been sufficient, among other things, to allow adequate medical treatment for herself and an education for her three minor children; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Employees' Retirement System of the Territory of Hawaii is hereby authorized and directed to pay to Mrs. Caroline Lederer the balance of her reserve in the System in one lump sum.

SECTION 2. Certified copy of this Joint Resolution shall be forwarded to the Director of the Employees' Retirement System.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 29, 1959.) **S.J.R. 108.**

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J. R. 21

Joint Resolution Amending Section 73(i) of the Hawaiian Organic Act to Provide for the Making of Leases to Qualified Farmers Without Recourse to Drawing or Lot.

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Section 73(i) of the Hawaiian Organic Act is hereby amended by substituting for the language following the figure "(2)" and preceding the words "And provided further," in the first paragraph of said section the following:

"with or without recourse to drawing or lot, as the commissioner may determine, lots may be leased with or without a right of purchase, or may be sold for cash or on an extended time basis and forthwith patented, to any citizen of the United States applying therefor if such citizen has not less than two years' experience as a farm owner, farm tenant, or farm laborer:".

SECTION 2. This Joint Resolution shall take effect upon its approval, or, if at the time of its approval the consent of the Congress shall be necessary to its effectiveness, then either upon the granting of that consent or upon its ratification by the legislature of the State of Hawaii.

(Approved May 29, 1959.) **S.J.R. 52.**



## J. R. 22

Joint Resolution Authorizing an Appeal by Irene B. Hutchinson to the Civil Service Commission of the Territory.

WHEREAS, Irene B. Hutchinson, a duly appointed and qualified courtroom clerk in the Circuit Court of the First Judicial Circuit of the Territory was dismissed; and

WHEREAS, due to a misunderstanding, Irene B. Hutchinson did not perfect her appeal to the Civil Service Commission of the Territory within the time provided for in section 3-25 Revised Laws of Hawaii 1955, as amended; and

WHEREAS, good cause appearing therefor, the statute of limitations as provided by said section 3-25 Revised Laws of Hawaii, as amended, should be waived; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. Irene B. Hutchinson is hereby authorized to appeal her dismissal as courtroom clerk in the Circuit Court of the First Judicial Circuit to the Civil Service Commission of the Territory.

SECTION 2. The statute of limitations as provided for in section 3-25 Revised Laws of Hawaii 1955, as amended, is hereby expressly waived for the purpose of the adjudication of the appeal of Irene B. Hutchinson from her dismissal.

SECTION 3. Irene B. Hutchinson is hereby required to commence the appeal hereby authorized within sixty days from the effective date of this Joint Resolution.

SECTION 4. This Joint Resolution shall take effect upon its approval.

(Approved May 29, 1959.) **S.J.R. 103.**

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J. R. 23

Joint Resolution Regarding the Refund of All Deposits Made by Any Member of the Employees' Retirement System of the Territory of Hawaii to Purchase Additional Annuities in the System.

WHEREAS, under the provisions of section 6-84, chapter 6 Revised Laws of Hawaii 1955, any member of the Employees' Retirement System of the Territory of Hawaii was permitted, in addition to the contributions deducted from compensation, to deposit an amount sufficient to purchase an additional annuity in order to obtain the maximum benefit upon retirement; and

WHEREAS, in accordance with section 6-84, many members of the police and fire departments did deposit additional amounts over and above the normal contributions for the purpose of purchasing the additional annuity; and

WHEREAS, the enactment of Act 231, Session Laws of Hawaii 1957, amending chapter 6, Revised Laws of Hawaii 1955, resulted in granting a maximum retirement allowance to policemen and firemen for service

prior to July 1, 1957 regardless of whether such members made normal contributions to the annuity savings fund or made additional contributions; and

WHEREAS, in all fairness and justice to such members who made additional contributions, all such additional contributions should be refunded and repaid to such members; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. All deposits made by any member of the Employees' Retirement System of the Territory of Hawaii on or before June 30, 1957 to purchase an additional annuity in the System shall be refunded to such member upon application or left with the Employees' Retirement System to provide an additional annuity over and above the amount provided for in section 6-42 of the Revised Laws of Hawaii 1955, as amended.

SECTION 2. This Joint Resolution shall take effect upon its approval.

(Approved June 1, 1959.) **S.J.R. 95.**

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**J. R. 24**

Joint Resolution Requesting the Congress of the United States to Construct a Road Around the Rim of Haleakala Crater, a Part of the Hawaii National Park.

WHEREAS, the National Parks are public lands dedicated to the conservation of the scenic, natural and historic objects of the country, and for the benefit and enjoyment of the people of the United States; and

WHEREAS, the crater of the world's largest dormant volcano, Haleakala, is a part of the Hawaii National Park; and

WHEREAS, the crater is the first sightseeing objective of visitors to the island of Maui; and

WHEREAS, natural formations of volcanic origin, as crater cones, caverns, desert plains and lakes, are rare spectacles in the United States, and a geological wonder and interest; and

WHEREAS, vegetative growth of forest niches, luxuriant meadows, and exotic Silversword, thriving within the crater, is a botanical and tourist's wonder; and

WHEREAS, it is incumbent upon the government to make the most beneficial use of these natural inheritances for the enjoyment of the people of the United States; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation to construct a road around the federally owned portion of the rim of Haleakala Crater.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the

Interior, to the Director of National Park Service, and to the Delegate to the Congress from the Territory of Hawaii.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved June 1, 1959.) **S.J.R. 6.**

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### J. R. 25

Joint Resolution Requesting the Congress of the United States to Establish and Operate a Forest Research Center in the Territory.

WHEREAS, the United States Forest Service has nine regional forest experiment stations in the continental United States and a research center in Puerto Rico and Alaska; and

WHEREAS, the Legislature of the Territory of Hawaii in 1957 passed Act 234, under section 8 of which the board of commissioners of agriculture and forestry was directed (a) to take immediate steps to secure the establishment and operation of a forest research center by the United States Forest Service, and (b) in this connection, to cooperate with the United States Forest Service in conducting a forest resource survey in the Territory, the survey to gather information on (1) kind, volume and location of timber stands, (2) productivity, ownership, condition and extent of forest land, (3) rates of timber growth and depletion by cutting and destruction by insects, diseases and other natural agents, (4) present and prospective requirements for timber production, and (5) other data essential to an adequate appraisal of the timber supply and forest condition; and \$20,000 was appropriated to the board to be expended for such services, equipment and supplies as was deemed necessary for effectuating the purposes set forth above; and

WHEREAS, it is found that the Territory is in urgent need of technical assistance for purposes of developing commercial timber and other forest products, such assistance being best supplied by the United States Forest Service; now therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to appropriate necessary funds for the establishment of a forest research center in the Territory to be administered by the United States Forest Service.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, to the Secretary of Agriculture and to the Delegate to the Congress from the Territory.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved June 1, 1959.) **S.J.R. 17.**

J. R. 26

Joint Resolution Requesting the Congress of the United States to Provide Funds for the Construction and Maintenance of the "Gateway House" at the University of Hawaii.

WHEREAS, the University of Hawaii, being a meeting place for numerous cultures and races, would be an ideal place at which to establish an orientation center, conference site and study ground for both Asiatics and Americans under a number of federal, foreign and private programs; and

WHEREAS, the University of Hawaii would be able to provide training in marine science, tropical agriculture, social work, public health programs in nursing, health education, dental hygiene, public health engineering and other educational subjects of great value to persons from Asia and to provide foreign service training for Americans interested in Asia; and

WHEREAS, the University of Hawaii has formulated a plan which would provide a fresh approach in the field of American-Asiatic relations, the implementation of which is inhibited by the lack of adequate funds and facilities; and

WHEREAS, the technical and service training under the plan envisioned by the University of Hawaii would constitute one of the most significant contributions the United States can make in the betterment of international understanding and the advancement of Asiatic countries, and hence should be a matter of national concern; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation providing funds in the amount of \$2,000,000 to be used for the construction of facilities which may be appropriately named "Gateway House" and the establishment of an orientation center at the University of Hawaii for the training of persons from Asia and the orientation of American personnel preparing for service in various programs of international assistance and development.

SECTION 2. Certified copies of this Joint Resolution shall be sent to the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, to the Secretary of Health, Welfare and Education, and to the Delegate to the Congress from the Territory.

SECTION 3. This Joint Resolution shall take effect upon its approval.

(Approved June 1, 1959.) **H.J.R. 49.**

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J. R. 27

Joint Resolution Enabling the Izumo Taisha Kyo Mission of Hawaii to Recover Title to Certain Lands and Improvements Situate at the End of Leleo Lane in Honolulu, the Same to Be Effectuated Either Through Voluntary Reconveyance by the City and County of Honolulu or Through

Legal Proceedings Under a Waiver of Immunity, the Statute of Limitations and Laches on the Part of the Government.

WHEREAS, Izumo Taisha Kyo Mission was established in Honolulu as a religious organization in 1906; and

WHEREAS, over a period of years the church members, by working indefatigably and making personal sacrifices, managed to raise, through thousands of small contributions, money sufficient to build a church near Leleo Lane in Honolulu, City and County of Honolulu, Territory of Hawaii, and in 1919 incorporated the organization as an eleemosynary institution; and

WHEREAS, shortly after the outbreak of World War II, a defense emergency order was issued by the military authorities declaring Izumo Taisha Kyo Mission to be an allegedly dangerous and subversive organization; and

WHEREAS, as a result of such order and concomitant crystallization of public opinion against Shintoism, there was created a great fear and hysteria among persons of Japanese nationality and descent which effectively made it impossible for them to make decisions in a wise and deliberate manner; and

WHEREAS, the members of Izumo Taisha Kyo Mission, under great stress and pressure and in the wartime atmosphere of terror, having been led to believe that their church would be confiscated and taken from them and they themselves interned, did, by deed dated November 24, 1944, convey and transfer their church property, without receiving any consideration, to the City and County of Honolulu, and by so doing acted improperly and under mental duress and beyond the scope of their authorization; and

WHEREAS such conveyance was made at a time of general hysteria and great fear and when public opinion was of sufficient pressure as to constitute force and duress; and

WHEREAS, other religious and educational organizations composed primarily of Japanese nationals and persons of Japanese descent, during that period and under similar circumstances, also conveyed away their properties to governmental bodies; and

WHEREAS, practically all of the properties so conveyed during World War II have been returned to the original donors by the donees, except the property formerly owned by Izumo Taisha Kyo Mission; and

WHEREAS, the Izumo Taisha Kyo Mission has proven itself to have been actually at all times, an honorable and law-abiding entity devoting itself solely to the worship of its faith, and is now pursuing its normal religious course as a place of worship and an institution cooperating and collaborating with other religious organizations in the advancement of the spiritual and moral welfare of the community; and

WHEREAS, the congregation of said Izumo Taisha Kyo Mission has indicated its willingness to make reimbursement to the City and County of Honolulu of the amount expended by the latter in the assumption and payment of a mortgage which encumbered the property in question at the time of the conveyances; now, therefore,

*Be it Enacted by the Legislature of the Territory of Hawaii:*

SECTION 1. **Findings of fact.** The legislature finds as a matter of fact that at the time of the conveyance by Izumo Taisha Kyo of its property and church at or near Leleo Lane, in the City and County of Honolulu, to the City and County of Honolulu, there existed such a state of fear and hysteria and pressure from public opinion as to constitute coercion and duress; and the legislature further finds as a result of the foregoing, fortified by the fact that all other property similarly conveyed during the same period has now been returned to the original donors, that the City and County of Honolulu, as a plain and simple matter of fair play and natural justice, is under a "moral obligation" to reconvey to Izumo Taisha Kyo Mission its former property.

SECTION 2. The City and County of Honolulu is hereby authorized and empowered, in recognition of such moral obligation, to reconvey to Izumo Taisha Kyo Mission all its right, title and interest in and to the property and church formerly owned by said Izumo Taisha Kyo Mission at or near Leleo Lane in the City and County of Honolulu, subject to the reimbursement of the mortgage money aforesaid. For such purpose, all laws governing the sale or transfer of real property, or the procedure thereof, are hereby waived.

SECTION 3. In the event that the City and County of Honolulu declines or fails to voluntarily reconvey the said property as hereinabove authorized, the Izumo Taisha Kyo Mission may institute legal proceedings in the courts of the Territory of Hawaii against the City and County of Honolulu, to recover title to the said property by an adjudication of the issue of the validity of the deed aforesaid. For such purpose, all statutory or common law immunity, statute of limitations and laches are hereby waived as a defense; provided, however, that such waiver shall not extend beyond two years from the effective date of this Joint Resolution; provided further that in the event of a suit, nothing herein contained shall be construed as an admission on the part of the Territory or the City and County of Honolulu of any facts constituting the basis for such suit.

SECTION 4. This Joint Resolution shall take effect upon its approval.

(Approved June 1, 1959.) **H.J.R. 79.**

**TABLES SHOWING EFFECT OF ACTS AND JOINT  
RESOLUTIONS THIRTIETH LEGISLATURE  
Territory of Hawaii**

Key:

Am — Amended R — Repealed N — New Section Ren — Renumbered	— Section numbers to be inserted By Revisor of Statutes in the Cumulative Supplement to the Revised Laws 1955
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**A. SECTIONS OF REVISED LAWS OF HAWAII 1955 AFFECTED\***

R. L. H. 1955 Sections	Effect	Act No.	R. L. H. 1955 Sections	Effect	Act No.
1-2	R	191	9A-4	Am	160
1-4	R	191	10-1	Am	6
1-5	R	191	11- —**	Am	59
1-47	R	263	11-139 to 141	Am	193
2-20	Am	1	11-143 to 145	Am	193
3-8	Am	133	12-8	Am	101
3-21 (e)	Am	154	12-13	Am	101
3-21 (g)	Am	13	14-5	Am	272
3-21 (h)	Am	212	14-6	Am	117
4-4	Am	156	15-3	Am	132
4-9	Am	82	19-7	Am	265
4-10	Am	255	19-22	Am	263
4A-1	Am	255	19-23	R	263
5- —	N	200	19-26	Am	263
5-20	Am	255	19-35	Am	265
5-30	Am	142, 143	21-7	Am	265
5-39	Am	166	21-62	Am	56
5-70	Am	197	21, Pt. VII, Title	Am	55
5-72	Am	238	21-170 to 173	Am	55
5-73	R	197	21-175	Am	55
5-74	R	197	21-177	Am	55
6-20	Am	60	21-178	Am	55
6-23	Am	236	22-9	Am	265
6-31	Am	189	22-20 to 25	Am	267
6-41	Am	67	22-26.1 to 26.9	N	267
6-50	Am	157	22, Pt. IV, Title	Am	5
6-56	Am	178	22-70	Am	5
6-75 (a)	Am	175	22-73	Am	54
6-75 (j)	Am	81	22-74.1	N	22
6-75 (o)	N	144	23-27	Am	58
6-81	Am	174	24-1 to 10	R	275
6-82.01	N	60	24-1 to 15	N	275
6-191	Am	194	24-20 to 29	R	275
6-191.6	N	194	28-9	Am	39
7-7	Am	7	28A-3	Am	51
7-20	Am	246	28A-4	Am	51
7-43	N	135	28A-9	Am	51
8- —	N	18	32-17	Am	265
8-18	Am	19	34-10	Am	145
8-22	Am	19	34-17	Am	151
9-1.1	N	265	34-51	Am	145
9-41	Am	118	34-52	Am	145
9A-2 (c)	Am	27	38-4	Am	28
9A-2 (d)	Am	98	38-5	Am	28
9A-2.5	N	167	38-5.1 to 5.4	N	28

\*Only those changes to the Revised Laws which are mentioned in the Acts and Joint Resolutions are included.

\*\*See table in part C for effect of Act 59.

R. L. H. 1955 Sections	Effect	Act No.	R. L. H. 1955 Sections	Effect	Act No.
38-20	Am	254	77-10	Am	158, 266
38-21	Am	254	77-12	Am	266
38-31	Am	255, 256	77-13	Am	266
38-32	Am	211	77-16	R	31
38-37	Am	196	77-20	Am	266
40-29	Am	141	77-33	Am	266
41-1 to 5	R	68	77-36 to 39	Am	266
42-7	Am	265	77-70 to 89	N	266
42-23	R	30	81-19 to 22	Am	93
42-25	Am	30	81-24	Am	93
44-2	Am	88	81-25	Am	93
44-3	Am	46	81-36	Am	93
44-5	Am	92	81-40	Am	93
44-47***	N	152	88-1	Am	264
44-47.1			88-20	R	264
to 47.4***	N	152	88-22	Am	12
44-63	Am	190	88A-1 to 20	N	264
44-65	Am	190	89-2	Am	14
44-67	Am	190	89-3	Am	14
44-73	N	190	90-7	Am	210
44-74	N	190	93-1	Am	222
46-15	Am	25	93-7	Am	11, 222, 232
46-15.1	Am	25	93-21	Am	11
46-15.2	Am	25	93-24	Am	11
46-25.1	Am	77	93-26	Am	11
46-25.1	R	265	93-29	Am	232
46-25.2	Am	76, 265	93-33	Am	232
46-25.3	Am	76, 265	93-43	Am	232
47-3	R	265	93-61	Am	222
47-50	R	102	93-103	Am	265
48-9	Am	177	93-124	Am	265
50-23	Am	146	93A-16	R	230
51-6	Am	24	93A-17	R	230
52****	Am	71	93A-18	Am	230
52-10	Am	71, 228	93A-20	Am	230
52-12 to 14	Am	228	93A-25	Am	230
52-18	Am	71	93A-26	Am	230
52-19	Am	228	93A-27	R	230
52-23	Am	228	93A-28	R	230
52-24	Am	228	93A-30	Am	230
54-1	Am	265	93A-35	Am	230
54-3	Am	265	93A-36	Am	230, 265
57-6	Am	138	93A-38	Am	230
57-41	R	265	93A- —	N	230
57-42	Am	265	94-2	Am	89, 164
58-4	Am	108	94-4	Am	32
62-1	Am	90	94-4.5	N	122
63-9	Am	109	96-29	Am	8
64-2	Am	271	97-1	Am	240
64-3	Am	149, 271	97-5	Am	240
67-1 to 15	Am	268	97-10	Am	185
67-16 to 26	N	268	97-21	Am	48
72-1	Am	111	97-23	Am	48
72-3	Am	111	97-25	Am	240
77- —	N	266	97-26	Am	78, 240
77-4	Am	266	97-30	Am	241
77-8	Am	31, 266	97-52	Am	240
77-9	Am	31, 266	97-57A	N	240

\*\*\*These sections were specifically created by Act 152 although section numbers 44-47, 44-47.1 to .3 were already appropriated in compiling Act 35, SL 1957, in the 1957 supplement. Adjustment will be made in 1959 supplement.

\*\*\*\*Chapter 52 amended generally by Act 71.



R. L. H. 1955 Sections	Effect	Act No.	R. L. H. 1955 Sections	Effect	Act No.
97-69	Am	241	126-6	Am	277
97-81	Am	240	127-1	Am	277
98C-2 to 7	Am	20	128-17	Am	246
98C-10	Am	20	129-13	Am	265
98F-5	Am	115	130-16	Am	179
99- ———	N	21	132-12	Am	119
99-26	Am	21	138-41*****	N	188
99-43	Am	233	139-1 to 3	Am	235
102-1 to 14	Am	278	139-9	Am	235
102-15 to 27	R	278	140-7	Am	170
104-15	R	239	142-17	Am	181
104-15	N	239	142-21	Am	181
104-27	Am	265	143 Title	Am	49
105-1	R	229	143-1	Am	44
105-1	N	229	143-6	Am	33
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\*\*\*\*\*This section was specifically added by Act 188 although section number 138-41 was already appropriated in compiling section 3 of Act 178, SL 1957, in the 1957 supplement. Adjustment will be made in the 1959 supplement.

R. L. H. 1955 Sections	Effect	Act No.	R. L. H. 1955 Sections	Effect	Act No.
159-15	Am	265	181-375	Am	231
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160-167	Am	243	190A-2	Am	97
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160-167.66	N	243	199-8	Am	137
160-167.666	N	243	199-8.5	Am	137
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160-170.55	Am	243	213-1	Am	259
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160-171	Am	243	214-13	Am	259
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<b>Laws, 1943</b>		<b>Act</b>
<b>Regular Session</b>	<b>Effect</b>	<b>No.</b>
224 (Sec. 1-3)	Am	263

### **Laws, 1949** **Regular Session**

386 (Sec. 1)	Am	217
JR 10	R	162

### **Laws, 1953** **Regular Session**

15	Am	217
193 (Sec. 1)	Am	103
280 (Sec. 2)	Am	258

<b>Laws, 1955</b>		<b>Act</b>
<b>Regular Session</b>	<b>Effect</b>	<b>No.</b>

6	Am	103
97 (Secs. 1, 2)	Am	172
191 (Secs. 1, 5, 6)*	Am	59
195	Am	277
207 (Sec. 2)	Am	161
273 (Sec. 6)	Am	116

### **Laws, 1957** **Regular Session**

74 (Secs. 19, 21, 26, 27, 31, 36, 37, 39)	Am	230
74 (Secs. 17, 18, 28, 29)	R	230
74 (Sec. —)	N	230
122	R	246
150 (Sec. 8)	Am	113, 251
161	Am	20
217 (Sec. 6)	Am	277
226	R	168
288 (Sec. 1(3) )	Am	124

\*See Table in next Part C

**C. EFFECT OF**  
**ACT 191 OF THE SESSION LAWS OF HAWAII 1955**  
**AND**  
**ACT 59 OF THE SESSION LAWS OF HAWAII 1959**

Act 59, Session Laws of Hawaii 1959, relative to elections, amends Act 191, Session Laws of Hawaii 1955, which amended sections of the Revised Laws of Hawaii 1945. The table below shows the effect of these Acts 191 and 59 on sections of the Revised Laws of Hawaii 1945 and the corresponding sections of the Revised Laws of Hawaii 1955.

---

<b>R. L. H. 1945 Sections</b>	<b>R. L. H. 1955 Sections</b>	<b>Effect of Act 191 S. L. H. 1955</b>	<b>Effect of Act 59 S. L. H. 1959</b>
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162	11-211	Am	
163	11-212	Am	
170.01		N	
170.02		N	
170.03		N	
176	11-6		Am
178	11-8	Am	Am
181	11-12	Am	Am
183	11-18	Am	Am
203	11-36	Am	Am
206	11-39	Am	Am
208	11-41	Am	
209	11-42	Am	
219	11-52	Am	Am
221	11-54	Am	Am
222	11-55	Am	
235	11-62	Am	
237	11-64	Am	
237.01		N	
238	11-65	Am	
240.01	11-68	Am	
243	11-71	Am	
247.01		N	
247.02		N	
247.03		N	
247.04		N	
247.05		N	
265	11-94	Am	Am
267.01		N	
268	11-97	Am	
275	11-104	Am	
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